

DAILY REPORT

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RENMIN RIBAO ANALYZES REAGAN'S STATE ADDRESS

HK011107 Beijing RENMIN RIBAO in Chinese 28 Jan 82 p 6

[Special report from Washington by reporter Yuan Xianlu [5913 0341 4389]: "Reagan Delivers State of the Union Address"]

[Text] U.S. President Ronald Reagan delivered a State of the Union Address at a joint session of Congress on the evening of 26 January. In this important speech which he delivered a year after he was sworn in, Reagan mainly dealt with domestic economic issues. Besides stating that he would stick to the "economic recovery program," he also put forth "a single, bold stroke" -- transferring a large portion of Federal social programs from Washington to state and local governments. He said that the implementation of this plan, which is "as bold and creative as" the "economic recovery program," will "make the government hold itself responsible to the people once more." But some people in the United States hold that the reason why President Reagan has put forth this plan at present is that the "economic recovery program" has suffered setbacks and that this new move is for improving the situation.

It seems that this view is not groundless. Although in his State of the Union Address President Reagan has listed economic achievements scored since he assumed office and has especially mentioned that the rate of inflation and interest rates have dropped to a certain extent, he has been forced to admit that the present U.S. economy is faced with difficulty. He has explained that this is not the outcome of the "economic recovery program" but the result of the economic policy of the past decades. He has once more expressed that as long as they stick to the "economic recovery program," the U.S. economy will certainly "become prosperous again." At the same time, he has also stressed that it is impossible to solve the "deep-rooted" economic problems "within a few days, a few weeks or a few months." In their comments, some U.S. television reporters have pointed out that when Reagan announced the "economic recovery program" at the same time last year, he was full of confidence. But the tone of this State of the Union Address is a defensive one, which contrasts sharply with that of last year.

It is not by accident that this kind of phenomenon has occurred. More than 1 year has passed since President Reagan assumed office. His plans of budget reductions and tax reductions have all been started but the U.S. economy has not developed as he promised. On 26 January, the CHRISTIAN SCIENCE MONITOR quoted the speech of an economist: "Serious economic recession, high unemployment, prolonged stagnation and grave financial contraction have offset the slow drop of the rate of inflation and have brought about a crisis of faith in the question of whether the U.S. Government is capable of effectively handling the economic issues." This newspaper went on to say: "After having adjourned for a long time, the Congress has resumed its session at a time when there are numerous complaints about economic recession. The financial circles have doubted the President's economic plan and have become indifferent." This makes it "difficult for Reagan to bring the White House into action again."

How can the people's faith in the "economic recovery program" be reinstated and the position of the Reagan administration be improved? Evidently, the pressing matter of the moment is to reduce budget deficit. If the deficit is to be reduced by means of cutting expenditure on social programs, the amount reduced is quite limited. Besides, this will bring about political disadvantages as the midterm election is drawing close. Therefore, U.S. newspapers disclosed that when this State of the Union Address was being drafted, many important Republican congressmen strongly advised the President to increase some tax income in order to reduce deficit and to shake off the passive situation. It is said that Reagan also once accepted this view. But later, out of the consideration that if tax was increased not long after tax reduction was advocated, it would mean admitting that the economic policy of the supply-side school did not work, which would also bring about disadvantages during the midterm election, he changed his mind. In the State of the Union Address, he has not mentioned the target of a balanced budget at all but has stressed that he will not "attempt to balance the budget on the backs of American taxpayers" and guaranteed "to reduce the tax of the American people and to continue to do so."

Under such circumstances, the State of the Union Address has put forth transferring \$47 billion worth of 40 items of federal expenditure to state and local governments including education, communications, transportation, regional development and so on -- and the taxes for some goods which are the financial sources of this spending. Some noted figures hold that putting forth this new and important move is not only to divert the people's attention from the current economic difficulty, but in fact also to shift the growing spending on federal social programs on to the heads of the state and local governments.

Of course, before this plan can be put into effect, it has to be legislated by the Congress and needs the approval of state and local governments. Judging from the reaction toward the television broadcast that evening, both the Congress and the states hold different views. This issue will again give rise to a new political struggle in the United States.

XINHUA REVIEWS REAGAN'S NEW FEDERALISM

OW010525 Beijing Domestic Service in Mandarin 0300 GMT 30 Jan 82

[XINHUA 28 January summary report: "Reagan's New Federalism"]

[Text] U.S. President Reagan, in his first State of the Union message, announced the plan to transfer to state governments a large number of social programs which have been in the hands of the Federal Government for several decades. The plan may be summarized in two parts. One, dealing with an exchange of programs, proposes that, beginning in 1984, the Federal Government would take over Medicaid while handling the state governments' food stamps and aid to families with dependent children programs. The other, dealing with the transfer of programs, proposes that, from 1984 to 1991, the Federal Government would turn over, step by step in a planned way, 43 other social programs, including subsidies for employment, education, transportation, energy and others, to the state governments. The contents of Reagan's plan look unimportant, but they mean big changes in the United States.

As early as the 1930's, President Roosevelt adopted Keynesianism, stepped up the interposition by the Federal Government in the national economy and accordingly shifted many local programs into the hands of the Federal Government. Those programs later became important tasks of the New Deal. The practice continued for more than 40 years. President Reagan practices supply-side economics, emphasizing the restoration of free competition and calls for giving greater responsibility and power to local governments in order to make the administration display full federalism.

Reagan's plan produced repercussions throughout the country as soon as it was announced. Its supporters describe it as a bold attempt and a milestone in relations between the Federal Government and local governments. Those who oppose it, attack it as a big retrogression, a risky gamble which will create a host of new unsolvable problems. Many middle-of-the-roaders and the general public are asking questions concerning the new federalism. The questions are quite worth looking at and pondering.

1. Is the plan intended to transfer power to the lower level or to shift the burden to the lower level? Reagan always regards the social programs as a heavy burden on the shoulders of the Federal Government and a major cause for increased federal spending. Some commentaries hold that the transfer of social programs to state governments is actually a part of Reagan's plan to cut back government spending. For many years, local governments have had financial difficulties and repeatedly asked for federal assistance. People are worrying about the consequences of the transfer of large numbers of social programs to local government.

2. Is the plan truly a reform? Many people hold that whether the social programs are handled by the Federal Government or by local governments makes no fundamental difference because both the Federal Government and local governments get money from the taxpayer. They hold that if the plan yields bad results, it is always the hundreds of millions of ordinary working people who suffer.

3. Will the plan reduce or increase trouble? One of the reasons given by Reagan for planning to transfer the social programs to state governments is the complex management procedures and excessive administrative levels in the Federal Government. Nevertheless, many newspapers hold that the plan will inevitably cause intricate contradictions and disputes between the Federal Government and the states, between various states, and between city and state governments, because the states are different in situation and level of development. Those newspapers predict new social problems in the future.

Many commentaries do not think that Reagan's proposal on the new federalism plan is directly related to the present serious economic problem in the United States. The people hoped that their President would present, in his State of the Union message, some new measures for solving urgent problems such as unemployment, recession and deficits. They were greatly disappointed when they found that the only thing new in the message was the transfer of the social programs to a lower level.

The Washington POST says: No one expects Congress to completely adopt Reagan's plan this year, but the plan serves as a smokescreen to cover up the daily receding economy and rapidly rising deficits.

RENMIN RIBAO HITS U.S. ATTITUDE TOWARD MIDEAST

HK011250 Beijing RENMIN RIBAO in Chinese 1 Feb 82 p 6

[Newsletter from America by RENMIN RIBAO reporter Yuan Xianlu [5913 0341 4389]: "The Key to the Solution of the Middle East Question"]

[Text] On 29 January, U.S. Secretary of State Alexander Haig returned to Washington after completing his second tour of the Middle East this year. On his way home, he admitted to reporters that there was no way any agreement could be reached between Egypt and Israel on the question of Palestinian autonomy before the Israeli withdrawal from Sinai on 25 April.

Haig has visited the Middle East twice in a little more than half a month since the beginning of the new year. Some Americans see this as a sign that the Reagan administration is beginning to understand the importance of solving the Arab-Israeli dispute. According to these people, the Reagan administration only emphasized the need to establish a "strategic consensus" against Soviet expansion in the Middle East and paid very little attention to the Palestinian question in the past. In his recent Middle East tours, Haig mainly devoted his efforts to promoting talks on Palestinian autonomy. This represents a change in the U.S. Middle East policy.

Indeed, in stepping up its activities of aggression and expansion and blatantly declaring its annexation of the Golan Heights last year, Israel had made the Middle East situation all the more turbulent and given the Soviet Union an opportunity to return to the Middle East scene. Maybe this has enabled the United States to gradually realize that it will not work to bypass the Arab-Israeli dispute and try to bring about a "strategic consensus" in the Middle East. However, this does not mean that the Reagan administration already has a positive Middle East policy.

The objective of Haig's Middle East tours is to keep the process of the solution of the Middle East question within the framework of the Camp David accords. The first stage of this agreement will come to an end following Israel's complete withdrawal from Sinai on 25 April. Therefore, the United States hopes to make some sort of breakthrough in the Palestinian autonomy talks before this deadline so that the momentum of the Camp David peace talks can go on. In this way, the United States can still play a leading role in the solution of the Middle East question.

However, Israel has its own plans for the Palestinian talks. The Begin administration does not care too much about the complete withdrawal from Sinai. Sources said Israel even planned to provoke new armed conflicts in Syria or Lebanon so that it could find an excuse not to honor this agreement. Since the United States feared that such a move would impair its strategic interests in the Middle East, Israel shelved this plan for the time being. Instead, it demanded that its withdrawal from Sinai be accompanied with an agreement on Palestinian autonomy talks. For years, the Begin administration has been howling that Israel has "sovereignty" over the West Bank of the Jordan and that Palestinian autonomy can only deal with questions like urban construction and environmental hygiene. He tried to make Egypt accept this unreasonable demand in return for its withdrawal from Sinai. According to reports, during Haig's first visit, the United States asked Egypt to yield to Israel's demand. Of course Egypt would not make any compromise on a question of principle involving the national rights of the Palestinians. Thus, Haig's first Middle East tour failed to produce any positive results.

Before Haig left for his second Middle East tour, some American newspapers pointed out that, even in the spirit of the Camp David accords, the United States had no reason whatsoever to support Israel's peremptory stand. The famous American commentator Joseph C. Harsch wrote on 26 January: "In declaring that it has sovereignty over its occupied territory, Israel has violated the provisions and spirit of UN Resolution No 242 on which the Camp David accords were based. This move is also contradictory to the official stand of the U.S. Government since the 1967 war. It will not be accepted by any Arab country. Neither will it be accepted by the majority of the countries in the world. It will enable the Soviet Union to greatly increase its influence in the Middle East in no time. For this reason, the whole world is watching what Washington intends to do with Israel." He said: Whether the U.S. Government allows Israel to act as it pleases or resolutely curbs Israel's moves will have an extremely important impact on the development of the Middle East situation and on the position of the United States in the Middle East.

As Haig's second Middle East tour shows, the United States only put forth suggestions and stated its views on some minor issues regarding the Palestinian autonomy talks. It did not make clear its attitude on questions of principle -- that Israel must return its occupied Arab territories and respect the national rights of the Palestinians. These questions are the key to the solution of the Palestinian question, even the Middle East question as a whole. To put it bluntly, the United States adopts an ambiguous attitude on this question because it wants to go on abetting and supporting Israel. It is precisely for this reason that the present Middle East tour has still failed to achieve any progress.

RENMIN RIBAO: SIGNS OF SOVIET ECONOMIC CRISIS

HK011249 Beijing RENMIN RIBAO in Chinese 30 Jan 82 p 6

[Report: "Signs of Crisis as the Soviet Economy Enters a New Year"]

[Text] On 23 January, the Soviet Central Statistical Administration issued a bulletin reporting how the national economic plan was carried out in 1981. The bulletin shows that in 1981, the Soviet Union failed to hit the basic targets of most of its national economic plan. Western newspapers have commented on this one after another. They agree that there are signs of crisis as the Soviet economy enters a new year.

According to the Soviet bulletin, compared with 1980, the Soviet national income in 1981 increased by 3.2 percent, but 3.4 percent had been planned. Industrial output increased by 3.4 percent, but 4.1 percent had been planned. This was a year in which the rate of growth of Soviet industry was the lowest in peacetime. Industrial labor productivity rose by 2.7 percent against a planned 3.6 percent. Of the 30 industrial departments, 13 failed to fulfill their planned output value. The production of coal was 704 million tons, over 30 million tons less than planned.

The Soviet bulletin has not made public grain production in 1981, but it is estimated to be 175 million tons. The output of agricultural products including grain, fruit, meat and milk dropped by 2 percent compared to 1980. The output of refined sugar, animal oil and vegetable oil has dropped for 2 years running. According to AFP, obviously, the Soviet Union's grain output in 1981 was "so low that for the first time it (the Soviet Union) has not announced the exact figures."

Due to the serious failure of grain crops, there is a shortage of food and the cost of living has become even higher. In 1981, the prices for food, clothes, gasoline, and charges for transportation, travel and recreational activities all became even more expensive. Spending for an ordinary family of three increased by 100 percent when compared with 0 years before. It is reported that on Christmas Eve in 1981, Moscow citizens said, "Oh Christ, we indeed have inflation. We are joining in the ranks of countries whose inflation is growing worse day to day."

Oil production as announced by the Soviet Union was 609 million tons, an increase of only 1 percent, and was 1 million tons less than planned. This was the second year in a row in which the Soviet Union did not meet its oil production target. As also admitted by the Soviet Ministry of Petroleum Industry, the reason why oil output was still able to increase in 1981 was to a very large extent due to the opening up of new oilfields in western Siberia. Western experts believe that the slowdown of the oil growth rate shows that the Soviet Union is faced with difficulties in oil recovery. Western diplomats worry that since the Soviet Union's oil production began to drop not long after it had reached a certain level, this may make the Kremlin further "seized with the impulse to wrest oilfields in the Middle East."

The Western newspapers hold that one of the important reasons the Soviet economy has landed in a predicament is that the Soviet Union has vigorously carried out military expansion and preparation for war and has spent a large amount of money for military purposes. In the current 5-year plan, the Soviet Union has cut U.S. \$42 billion from the original budget for economic construction. In addition to the Soviet Union's support to Cuba, Vietnam and its "ever increasing" expenditure in Afghanistan, "the crisis in Poland has increased the economic load of the Soviet Union." All this has constituted "a long-term unfavorable trend" in the Soviet economy. Besides, there are other "unfavorable factors" in the Soviet economy:

1. The Soviet Union is no longer an energy producer with a low cost of production in European Russia, but a producer with a high cost of production and a consumer with a low rate of efficiency in Siberia which is rich in resources. Moreover, the cost of production is increasing.
2. There is a shortage of manpower. Since 1960, the rate of population growth has been dropping. At present, the rate of population growth is 0.84 percent, only 50 percent of that in 1960. It is estimated that the Soviet Union will experience serious manpower shortages. These factors will certainly affect its future economic development and will continue to keep the Soviet Union in crisis.

DPRK'S KIM IL CITED ON ROK REUNIFICATION OFFER

HK020717 Beijing RENMIN RIBAO in Chinese 27 Jan 82 p 3

[Dispatch: "Kim Il Refutes Chon Tu-hwan's 'New Proposal' and Talks About Reunification of Korea"]

[Text] Pyongyang, 26 January (XINHUA) -- According to KCNA, Kim Il, vice president of the DPRK and chairman of the Committee for the Peaceful Reunification of the Fatherland, pointed out in a talk on 26 January that if the U.S. troops are withdrawn from South Korea, democratization is carried out there and the anticommunist confrontation policy is brought to an end, the DPRK side is ready to have a dialogue with the South Korean authorities.

Kim Il's talk was aimed at refuting the recent "new offer" of the South Korean "President" Chon Tu-hwan for the North-South reunification.

It was reported that in his speech made on 22 January at the "National Assembly," Chon Tu-hwan put forth a so-called "reunification plan." This plan includes forming a "consultative council for national unification," conducting general elections to form a parliament and a unified government, and signing an agreement on basic relations between the North and the South.

Kim Il said: "Today, either in view of the fact that two social systems are being practiced in the North and South of our country or of the situation around us, the shortest way to the unification of our country in accordance with the common national interests is the realization of our proposal of establishing a Democratic Confederal Republic of Koryo and, on this basis, establishing a neutral, peaceful and unified nation."

He said: "As to the so-called 'reunification plan' put forth by the South Korean ruler recently, we would not have ignored it and would have considered it a significant proposal if it had really proceeded from the stand of national unification. Unfortunately, this 'plan' cannot be considered as one of any positive significance."

He said that the proposal for general elections put forth by Chon Tu-hwan is nothing but a political formality which ignores the actual reality of Korea. He said: "In view of the complicated relations between the North and the South, everyone understands that it is still inconceivable when to conduct general elections. Especially when foreign troops still stay in the South and the system of military fascism is maintained there, it is entirely impossible to carry out the so-called 'principle of national self-determination' and conduct 'general elections' in a 'democratic procedure.'"

When talking about the signing of an agreement on basic relations between the North and the South, Kim Il said: "At any time, any interim measure for the complete unification should be aimed at eliminating the gap between the North and the South, strengthening the unity and cooperation of the two sides and seeking peace for the people of the same nationality. However, the aim of signing the agreement on basic relations between North and South is to deepen the gap between North and South and to keep the status quo of separation of North and South in a legal form."

Kim Il stressed: "As a step of the first stage of reunification, U.S troops must be withdrawn from South Korea, democratization carried out there and the anticommunist confrontation policy brought to an end."

He said the prerequisite and fundamental problem concerning the unification of the fatherland has yet to be solved by the South Korean authorities.

He said: "We hold that the South Korean authorities must make an effort to solve these problems which cannot be evaded and show their sincerity to the nation. We are ready at all times to trust all those who show their sincerity and, on this basis, advance hand in hand with them to settle the problem of reunification."

In addition, he went on, the present rulers of South Korea must give up their "two-Koreas" policy and apologize to the nation for their crimes in massacring fellow countrymen, release political prisoners and give full political freedom to all those whose political activities are banned.

He continued: No matter what the consultative organization will be called, the conference for the promotion of national reunification put forth by the North, or the consultative council for national unification put forth by the South, the DPRK will not be a stickler for what it is called. This organization should be joined by the authorities in the North and the South, as well as representatives of political parties, organizations and representatives from all social strata both at home and abroad to discuss all plans for the reunification, including the establishment of the Democratic Confederal Republic of Koryo, and all other problems which will help the North-South relations take a favorable turn for the reunification of the fatherland.

He stressed: "Our stand is clear. The question lies in what actions will be taken by the present rulers in South Korea, who are responsible for the obstacles to reunification. Together with all our compatriots who thirst for the self-determination and peaceful reunification of the fatherland, we will continue to look attentively at the attitude of the present rulers in South Korea and patiently wait for them to take positive measures to remove the obstacles to reunification."

COMMENTARY ON LENIN ORDER AWARDS TO SRV LEADERS

OW011111 Beijing in Vietnamese to Vietnam 1400 GMT 29 Jan 82

[Station correspondent Ru Hua commentary: "Le Duan in the Soviet Union's Good Graces"]

[Text] On 24 January the USSR Supreme Soviet decided to award the Order of Lenin to Le Duan and Truong Chinh for having contributed considerably to developing the overall cooperation between the Soviet Union and Vietnam.

Why did the Soviet leaders reward and bless the Le Duan clique in this manner although it is being cursed by the Vietnamese people and insulted in the face by the world's people?

As everyone knows, the so-called overall cooperation between the Soviet Union and Vietnam, as it is referred to in Soviet terminology, is nothing but a comprehensive collusion. To achieve world expansionism and hegemonism, the Soviet hegemonists need the Le Duan clique as their pawn in Asia to infiltrate Southeast Asia and bolster its so-called Asian security system. The Vietnamese regional hegemonists themselves also harbor wicked designs but they are not strong enough. To realize their dream of ruling the Indochinese federation, they need the Soviet hegemonists' support in various fields, political, economic, military and diplomatic.

In brief, the Soviet leaders want to turn Vietnam into a bastion for Soviet expansion in Southeast Asia while the Le Duan clique considers the Soviet Union a backbone of its regional hegemonism. Thus, unless the small hegemonists render their services, the big hegemonists cannot rule the roost in Asia. And unless they receive support from the big hegemonists, the small hegemonists will not dare to act in such an arrogant way.

Therefore, the Le Duan clique's aggression against Kampuchea and its opposition to China, control of Laos and threats to the ASEAN bloc are nothing but part of the Soviet hegemonists' global strategy. The deeper the Le Duan clique plunges onto the path of belligerence, aggression and expansionism, the better it will satisfy the Soviet hegemonists' desire to control Southeast Asia and all of Asia.

For this reason, the Soviet leaders have many times overpraised and [word indistinct] the Le Duan clique, rewarding it for its great contributions to developing the friendship and cooperation between Vietnam and the Soviet Union.

One also should pay attention to the fact that, as a result of the Le Duan clique's policy of aggression, expansionism and repression, which harms the country and betrays the people, Vietnam now faces untold difficulties in its internal affairs and in the diplomatic and other spheres.

The Soviet leaders' act of awarding the Order of Lenin to the Le Duan clique is aimed at breathing new life into it at a time when it is opposed by the entire people of Vietnam and at spurring it to tie itself more tightly to the Soviet chariot and serve the Soviet Union more efficiently.

Although the awarding of the Order of Lenin may enthrall the Le Duan clique, which enjoys the Soviet Union's good graces and has sold itself to its Soviet masters, this farce can in no way deceive the Vietnamese people. As the Soviet Union exchanges its weapons and ammunition for Vietnam's gold, silver, coal, vegetables and fruit, large numbers of Vietnamese people who are in dire straits indignantly shout: If the Soviet Union sincerely wants to help us, it must give us some food. We need food, not tanks and heavy guns.

At present, Vietnam's economy is nearing collapse and the Vietnamese people are facing a disastrous situation. But, the Le Duan clique, which has created this disaster, is repeatedly receiving orders and rewards from the Soviet leaders. How do the Vietnamese people feel about this?

BEIJING RAPS SRV BORDER PROVOCATIONS DURING TET

OW011141 Beijing in Vietnamese to Vietnam 1400 GMT 31 Jan 82

[Station correspondent (Yue Yu) commentary: "Saying Prayer With One's Lips But Holding a Dagger in One's Heart"]

[Text] According to reports from the Sino-Vietnamese border area, during the Lunar New Year festival period, Vietnamese troops frequently carried out armed provocations against China's border regions in Guangxi and Yunnan, killing and wounding many Chinese border residents.

Before Tet, Vietnamese troops fired bullets and shells into the Qiaotao area of the Hekou Yao National Autonomous County, disrupting a pre-Tet fair of the border residents. They fired 9 rounds of mortar shells and more than 300 antiaircraft rounds.

On the first day of Tet [January], as the masses in Dongxing township in Fengcheng Multinational Autonomous County were dancing and singing to celebrate the Spring Festival, the Vietnamese troops suddenly opened fire with light and heavy machineguns.

According to still incomplete figures, from 18 to 28 January, the Vietnamese troops fired more than 380 bullets and 357 shells at the Guangxi border region alone.

There was nothing unusual in the fact that the Vietnamese authorities, in their opposition to China, resorted to armed provocations. However, it reminds people of their hypocritical acts before Tet. Late last year, they sent to the Chinese side a so-called proposal that the two sides stop hostile armed actions and cease fire along the border regions of the two countries on the occasion of the Nham Tuat [Year of the Dog] spring. Early this year, a spokesman of the Vietnamese Foreign Ministry again issued a statement to the effect that Vietnamese armed forces and border guards would unilaterally act upon the aforementioned proposal. In the meantime, Vietnam also pompously declared that this decision, which allegedly expressed the Vietnamese authorities' good will, humanitarian spirit and concern for the people in the border regions of the two countries, is neither deceptive nor false. This is the height of arrogance!

However, facts are the most eloquent proof of truth or falseness. The Vietnamese troops' armed provocations at the Chinese border regions during the Lunar New Year festival have laid bare the Vietnamese authorities' false nature. All their beautiful words about their so-called good will, humanitarian spirit and concern for the people in the border regions and their so-called desire to enable people in the border regions to safely usher in the new year are fraudulent.

In our 20 January commentary entitled "The Vietnamese Authorities' Unsuccessful Trickery," we pointed out: This proposal of the Vietnamese authorities is only aimed at deceiving public opinion, hiding the truth from the Vietnamese people and covering up their crimes against China. The Vietnamese authorities' provocations during the Lunar New Year festival have fully borne out this observation of ours. There is a saying in Vietnam: "Saying prayer with one's lips but holding a dagger in one's heart." People cannot help but see the Vietnamese authorities' dirty image in their acts.

DK GOVERNMENT HAS 'SUPPORT' OF KAMPUCHEAN PEOPLE

OW020153 Beijing Domestic Service in Mandarin 1100 GMT 1 Feb 82

[Commentary by station reporter (Cui Kezhi): "The Government of Democratic Kampuchea Enjoys Widespread Support of the People"]

[Excerpts] During our recent visit to Democratic Kampuchea, Prime Minister Khieu Samphan pointed out that some public opinion, on the one hand, recognize that Democratic Kampuchea has its own troops and that it is indeed a main force against Vietnam; on the other hand, they say that Democratic Kampuchea has failed to win the widespread support of the people.

Prime Minister Khieu Samphan said that such a view is entirely groundless. The Government of Kampuchea, the national army and guerrillas have their political foundation, winning the support of the broad masses. What we saw and heard in Kampuchea during our recent visit to that nation indicates that the Government of Democratic Kampuchea has maintained close ties with the people and that the Government of Democratic Kampuchea and the struggle against Vietnam led by the government have won the warm support of the Kampuchean people. The Kampuchean people have actively supported and participated in the war against Vietnam and for national salvation led by the Government of Democratic Kampuchea and the Patriotic and Democratic Front of the Great National Union of Kampuchea.

In the early stage of the Vietnamese troops' intrusion into Democratic Kampuchea, the national army suffered serious setbacks. However, owing to the material support of the people and their earnest desire to join the army, the national army has made great progress both in quantity and quality. The Kampuchean people have enthusiastically joined the guerrillas and extensively carried out guerrilla activities.

With the support of the people, the national army and guerrillas have regularly penetrated deep into areas near the No 6, 5 and 4 Highways and have cut the enemy's main communications and transport lines. Not long ago, the national army and guerrillas attacked the ammunition dump at the center of (Ban Thieou) city. All these facts indicate that the war against Vietnam and for national salvation led by the Government of Democratic Kampuchea has won vigorous support of the people in the enemy-occupied areas.

Prime Minister Khieu Samphan pointed out that 98 percent of the self-defense members support the Government of Democratic Kampuchea. The Government of Democratic Kampuchea, the national army and guerrillas care for and cherish the people. In areas under the control of Democratic Kampuchea, the government has built hospitals for the people and treated their diseases. It has also built schools to provide school-age children with the opportunity to broaden their general knowledge. It has distributed relief grain among poor families.

While waging struggles militarily, the Government of Democratic Kampuchea has worked out new political lines and policies and has earnestly implemented the program of the Patriotic and Democratic Front of the Great National Union of Kampuchea. It has put forward a slogan, Khmers do not fight Khmers, and has extensively united with all the basic-level units of the anti-Vietnamese forces. Economically, the Government of Democratic Kampuchea has actively encouraged and helped the people to develop production and gradually raised their living standards.

Facts have made the Kampuchean people further understand that the Government of Democratic Kampuchea is the main anti-Vietnamese force and the hope of the nation.

HUANG HUA ATTENDS RECEPTION FOR INDIA HOLIDAY

OWO10730 Beijing XINHUA in English 0715 GMT 1 Feb 82

[Text] Beijing, February 1 (XINHUA) -- Indian Ambassador to China K.S. Bajpai gave a reception at the embassy here today to mark the republic day of his country. Vice-Premier and Foreign Minister Huang Hua was among the Chinese guests who extended warm festive greetings to Ambassador Bajpai.

Diplomatic envoys of various countries to China were present on the occasion.

RENMIN RIBAO WELCOMES INDIA-PAKISTAN TALKS

OWO20345 Beijing XINHUA in English 0252 GMT 2 Feb 82

[Text] Beijing, February 2 (XINHUA) -- The PEOPLE'S DAILY in a commentary today hailed the just concluded Indian-Pakistani "non-aggression" talks as "a heartening step" toward better relations between the two countries.

The commentary says:

Pakistan Foreign Minister Agha Shahi's visit to India has succeeded in increasing mutual understanding and promoted bilateral relations. According to a joint statement issued after his talks with Indian Foreign Minister Narasimha Rao, the two sides agreed that the conclusion of a no-war pact would contribute to peace and stability in the region.

That India and Pakistan should come together and make efforts to improve their relations deserves congratulation. Situation in South Asia has been greatly worsened as a result of the cutthroat contention between the two superpowers in west Asia and the Middle East, especially the Soviet occupation of Afghanistan. It is against this background that India and Pakistan have decided to take steps to improve their relations. Indian Foreign Minister Rao visited Pakistan last June and Pakistan proposed last October for the conclusion of a treaty of mutual non-aggression with India. During Pakistan Foreign Minister Agha Shahi's just-concluded visit to India, the two countries agreed to take concrete measures to improve their relations and their understanding of each other. This is in the fundamental interest of the two peoples and is a most gratifying development for the maintenance of the world peace. Talks represented a heartening step towards better relations between the two countries.

True, certain differences still exist between India and Pakistan. We are, however, convinced that these differences can be gradually eliminated and bilateral relations can be improved step by step provided the two sides have the necessary good faith, have the basic interests of their peoples at heart and enter into negotiations on an equal footing and in an amiable manner.

Attention should nevertheless be called to the fact that the superpower, which has professed that it is in favor of "good-neighborhood between India and Pakistan" is trying persistently to sow discord between the two countries and obstruct the improvement of their relations. Just before the present Indian-Pakistan talks, it predicted slanderously that Pakistan "will pose a threat to its neighbors". Thus, greater efforts to further improve Indian-Pakistan relations are needed as the best answer to those who are bent on estranging the two countries from one another.

PLA OFFICIAL LEADS DELEGATION TO BANGLADESH

OW281548 Beijing XINHUA in English 1537 GMT 28 Jan 82

[Text] Beijing, January 28 (XINHUA) -- A Chinese military goodwill delegation led by Liu Huaqing, deputy chief of the General Staff of the Chinese People's Liberation Army, left here for Bangladesh today via Guangzhou on an official visit upon invitation.

RENMIN RIBAO REPORTS PCI OPPOSITION TO USSR

HK011341 Beijing RENMIN RIBAO in Chinese 30 Jan 82 p 6

[Report: "PCI's L'UNITA Refutes Attack of CPSU's PRAVDA; PRAVDA Stands Facts on Their Heads, Attacks PCI's Opposition to the Soviet Union's Hegemonist Ambitions as 'Profanity' and 'Slander'"]

[Text] According to a report from Rome by our correspondent, the Italian Communist Party's [PCI] L'UNITA carried an article on 26 January entitled "Reply to PRAVDA -- Our Stand Is Based on Facts," refuting the CPSU's attack on the PCI on 24 January.

The article says: "The tune" PRAVDA sang "was not one of presenting the facts and reasoning things out but a tune of those who are trying to pass judgment on an ultimate political ideology derived from the 'central' and 'leading' role, which was brushed aside long ago and has been constantly opposed and abandoned by us over the past few years."

It says: "During this discussion, we have made and will continue to make known to the public things that have been written or will be written by our Soviet comrades about our attitude and our articles. Unfortunately our Soviet comrades have not done the same. The fact is our comrades in the Soviet Union as well as the Soviet citizens only know that the CPSU leaders criticized our documents, but know nothing about these documents."

The article says: "Even in regard to the specific and concrete practice of Soviet foreign policy, we have to make independent judgments. Abstaining from this independence will mean that we have abrogated our responsibility to the Italian laborers and people. To us, the maintenance of peace is the fundamental purpose of our international policy." "We cannot support any action that deviates from this purpose, such as armed interventions in Czechoslovakia and Afghanistan. These actions met with our strong opposition."

The article says: "In fact, we are faced with a desire of what purports to be the world's sole leading center which would reorganize the communist parties and people's liberation movements around the USSR. The meaning and language used in PRAVDA's article, which was characterized by intolerance and narrow self-righteousness (not analysis of the facts or exposition and examination), have once again proved this."

According to a report from Moscow by our correspondent, the Soviet PRAVDA carried an article on 24 January entitled "Going Against the Interests of Peace and Socialism," which attacked the PCI by name.

The article says: "In the resolution adopted by the plenary session of the PCI Central Committee and speeches by Comrades Ingrao, Napolitano and Reichlin, a program of action was mentioned. This program is antagonistic on all important questions of principle to the CPSU and the USSR, to all members of the great socialist family, as well as to the great majority of communist movements and the entire liberation movement."

The article says: "The PCI is attempting to 'prove' that in general there is no difference between the foreign policy of the Soviet Union and Warsaw Treaty Organization and the foreign policy of the United States and NATO. This is a thorough profanity."

The article says: "The propaganda media of the bourgeoisie have, for a long time, done their utmost to fabricate the so-called 'Soviet military threat' to cover up the aggressive nature and the militarist essence of the imperialist policy. Now such slander has been transferred to the documents of the PCI. They say that our country has 'hegemonist ambitions' and is attempting to impose its will on the people of other countries."

The article criticizes the stand of the PCI leaders as "being a heavy blow to the struggle of the people of various countries for maintaining peace and opposing the threat of war, and of aiming at weakening the principal and basic force in this struggle -- the influence of the socialist countries which have won victory in the progress of world affairs."

YE JIANYING GREETES FINNISH PRESIDENT ON ELECTION

OW270248 Beijing XINHUA in English 0240 GMT 27 Jan 82

[Text] Beijing, January 27 (XINHUA) -- Chairman of the Standing Committee of the National People's Congress of the People's Republic of China Ye Jianying today sent a message to Mauno Koivisto extending sincere congratulations on his election as president of the Republic of Finland. It reads as follows: On the occasion of Your Excellency's assumption of the presidency of the Republic of Finland, I extend my sincere congratulations and wish you every success in the discharge of your noble duties. May the friendly relations between China and Finland continue to develop excellently.

TURKISH FOREIGN MINISTER DISCUSSES TIES WITH PRC

OW291246 Beijing XINHUA in English 1225 GMT 29 Jan 82

[Text] Ankara, January 29 (XINHUA) -- Turkish Foreign Minister Iltis Turkmen stressed the importance of further developing the relations between Turkey and China, at a Consulative Assembly meeting here on Monday. It was his first foreign policy speech to the Consulative Assembly after his visit to China last month.

Turkmen said, "We want to develop relations with other Asian countries. I like particularly to take this opportunity to emphasize the attention paid by us to the relations with the People's Republic of China. We and China hold similar views on many international problems. China considers that Turkey has an important responsibility and role in the region."

Turkmen also said Turkey has kept the closest cooperation with the U.S. in NATO. He expressed satisfaction with Turkey's relations with Federal Germany and Britain.

BRIEFS

QUARTERLY IN FRANCE -- Paris, 4 Jan (XINHUA) -- A new quarterly publication in Chinese, DISPATCHES OF FRANCE, is now being published here by the France-China committee. According to the first issue, the publication will present France and its economy, technology and culture as completely and comprehensively as possible. The publication hopes to strengthen and consolidate further the links between France and the People's Republic of China. The France-China committee was formed in 1979 by the national council of French employers and the French center of foreign trade. Its purpose is to promote the development of economic cooperation between France and China. [Text] [Beijing XINHUA in English 1606 GMT 4 Jan 82 OW]

CORRECTION TO LEADERS AT SPRING FESTIVAL EVENT

That portion of the XINHUA report headlined "Leaders Attend Spring Festival Activities" published on page K 1 of the 25 January DAILY REPORT is actually an excerpt of an English-language report transmitted by XINHUA at 1225 GMT on 24 January. The part published on page K 2 is the English-language report with names added from the Domestic Service. The complete XINHUA Domestic Service report on this get-together is as follows:

OW300729 Beijing XINHUA Domestic Service in Chinese 1157 GMT 24 Jan 82

[Text] Beijing, 24 Jan (XINHUA) -- The CCP Central Committee and the State Council held a Spring Festival get-together in the Great Hall of the People this morning. At the meeting, the party and state leaders joyfully joined some 5,000 people from various walks of life in the capital in bidding farewell to the old year and ushering in the new spring.

Comrades Hu Yaobang, Zhao Ziyang, Li Xiannian, Hua Guofeng and Peng Zhen attended the get-together. On behalf of the CCP Central Committee and the State Council, they extended festival greetings to the workers, peasants, army men, intellectuals, cadres and the people in other walks of life, to the Taiwan compatriots, compatriots in Hong Kong and Macao and compatriots residing abroad, and to foreign experts helping China in Socialist construction.

There were no snacks, cigarettes or candies in the banquet room of the Great Hall of the People. Sitting at round tables and drinking tea, party and state leaders exchanged greetings and encouragements with advanced persons and patriots of various nationalities from various fields in the capital. The entire room was a scene of affection, thrift and joy.

Hu Yaobang, chairman of the CCP Central Committee, presided over the get-together. He wished everyone good health and a happy Spring Festival. "Today," he said, "the only treat is a cup of tea, the same as last year. However, what is different is that the general situation in our country is continuing a favorable turn and becoming prosperous. In other words, the situation in our country is constantly improving. The Spring Festival gathering arranged to pay sincere tribute to the comrades present for their hard work in the past year. Let us chat while drinking tea."

At the get-together, Li Xiannian, vice chairman of the CCP Central Committee, said: Our country enjoyed many delightful things in the past year. The thinking of the people throughout the country has been further unified. Our society has become more stable. We have made more, brilliant achievements in economic readjustment, science and technology, culture, physical culture and sports. Year after year, the work in various fields is better than ever. We are fully confident of winning still greater victories in the new year.

Li Xiannian said: The objective of our work at home in 1982 is firm and clear. We will strive to make comparatively great progress in establishing socialist material and spiritual civilizations. We will stress two things: one is to simplify government structure, overcome bureaucracy and raise work efficiency; the other is to sternly deal with important economic and other crimes.

Li Xiannian pointed out: On foreign relations, we will join the governments and people of friendly nations in continuing to oppose hegemonism, imperialism, aggression and expansion, and in safeguarding world peace.

He said the Chinese Government and people will firmly hold this stand. We are willing to develop diplomatic relations and economic and cultural contacts with all countries on the five principles of peaceful coexistence. We will never barter away principles, nor will we live on alms. We will never permit anyone to attempt to violate our sovereignty, interfere with our internal affairs and obstruct China's reunification.

Li Xiannian said: We should be inspired with enthusiasm, work hard in all fields and never slacken our efforts even for a single day. The year 1982 should be a year in which we foster great aspirations, work hard for the prosperity of our country and actively make progress and still greater accomplishments.

Also addressing the get-together were Zhu Xuefan, vice chairman of the NPC Standing Committee and vice chairman of the Central Committee of the Revolutionary Committee of the Chinese Guomindang; Hu Juewen, vice chairman of the NPC Standing Committee and chairman of the Central Committee of the China Democratic National Construction Association; Xu Deheng, vice chairman of the NPC Standing Committee, vice chairman of the CPPCC National Committee and chairman of the Central Committee of the Jiu San Society; Dong Qiwu, vice chairman of the CPPCC National Committee; Fei Xiaotong, Standing Committee member of the CPPCC National Committee, vice chairman of the China Democratic League and noted sociologist; Ma Haide, an adviser to the Ministry of Public Health; and professor Ma Bi, member of the CPPCC National Committee. They reviewed the achievements made in various fields in China in 1981, discussed the nation's bright prospects for the future and expressed full confidence in the motherland's program for modernization and in the great cause of realizing peaceful reunification. When they finished speaking, Hu Yaobang and other comrades warmly shook hands with them again and extended Spring Festival greetings to them. During the get-together brilliant literary and art programs were performed by Beijing's literary and art workers.

Also attending the get-together were party and state leaders including Wei Guoqing, Ulanhu, Yu Qiuli, Zhang Tingfa, Geng Biao, Ni Zhifu, Peng Chong, Chen Muhua, Seypidin, Wan Li, Xi Zhongxun, Gu Mu, Song Renqiong, Yang Dezhi, Hu Qiaomu, Yao Yilin, Ngapoi Ngawang Jigme, Shi Liang, Yang Shangkun, Banqen Erdini Qoigyi Gyancan, Kang Shien, Bo Yibo, Ji Pengfei, Yang Jingren, Zhang Aiping and Huang Hua; Huang Huoqing, chief procurator of the Supreme People's Procuratorate; Han Xianchu, Yang Yong, Wang Ping and Chen Xilian, members of the Standing Committee of the Military Commission of the CCP Central Committee; Liu Lantao, Li Weihan, Kan Keqing, Zhou Jianren, Zhuang Xiquan, Hu Ziang, Hu Yuzhi, Wang Kunlun, Burhan Shahidi, Zhou Peiyuan, Qian Changzhao and Liu Fei, vice chairmen of the CPPCC National Committee; members of the CCP Central Committee, NPC Standing Committee and Standing Committee of the CPPCC National Committee in Beijing; leading members of departments under the CCP Central Committee, ministries under the State Council and general departments and various arms and services of the PLA; leading members of democratic parties and people's organizations; representatives of the workers, peasants, PLA commanders and fighters, intellectuals, organization cadres and people of all walks of life in the capital; family members of deceased Veteran comrades and noted figures; Taiwan, Hong Kong and Macao compatriots and Overseas Chinese in Beijing, and foreign specialists who are helping China in her socialist construction.

WANG ZHEN VISITS HAINAN PLA UNITS 25 JAN

HK300424 Haikou Hainan Island Regional Service in Mandarin 0330 GMT 30 Jan 82

[Text] According to HAINAN RIBAO, Wang Zhen, member of the Political Bureau of the CCP Central Committee and member of the Standing Committee of the Central Military Commission, visited the cadres and fighters of the communications battalion of a certain garrison division and the third communications company of a certain naval unit in Hainan on the morning of Lunar New Year's Day, and had cordial chats with some of them. He was accompanied by leading local comrades including Hainan Regional CCP Committee First Secretary Luo Tian and Hainan Military District Political Commissar Li Peng. He extended festival greetings and regards to the cadres and fighters, and was also photographed with them.

STATE COUNCIL DECIDES TO ISSUE TREASURY BONDS

Circular on 1982 Bonds

OW011417 Beijing XINHUA Domestic Service in Chinese 0726 GMT 1 Feb 82

[Text] Beijing, 1 Feb (XINHUA) -- The State Council has decided to issue 4 billion yuan of treasury bonds in 1982. Of this amount, 2 billion yuan will be purchased by state-owned units and collectively owned units, and 2 billion yuan will be purchased by people in urban and rural areas. The treasury bonds purchased by individuals will carry an annual interest rate of 8 percent.

To successfully carry out this task, the State Council recently issued a "circular on the issuance of treasury bonds to people in urban and rural areas in 1982."

The circular says: The current political and economic situation in our country is good, and the state financial conditions have improved somewhat. Nevertheless, financial difficulties and lack of funds remain a problem for us in our economic construction. The fundamental solution to the problem lies in striving to develop production, strictly practicing economy, opposing waste and increasing economic results. At the same time, we must also adopt a suitable way to mobilize and pool a part of the social funds for use in national construction. In the 1950's, our country time and again issued economic construction bonds to mobilize the people of the whole country to pool the money that could be saved to support national construction. This played a good role in making up for the lack of funds for socialist construction at that time. In the past few years, with the implementation of economic readjustment measures and the growth of industrial and agricultural production, the income of peasants has increased notably, more and more people in cities have found jobs, and the income of workers and staff members has also increased somewhat. So, conditions exist for the issuance of a certain amount of treasury bonds to people in urban and rural areas.

The circular says: The issuance of treasury bonds to people in urban and rural areas not only can pool a part of the social funds for use in national construction but is conducive to arousing the patriotic enthusiasm of the people of the whole country to support the socialist construction and promoting a social habit of hard struggle, industry and thrift.

The circular calls on people's governments at all levels to conscientiously do a good job in propaganda and mobilization work, explaining the political and economic significance of issuing the treasury bonds, mobilizing the people in urban and rural areas to actively purchase bonds according to their economic capabilities, and fulfilling and overfulfilling the issuance tasks assigned by the state. Bonds must not be distributed equally according to the number of people, still less apportioned arbitrarily or by coercion and commandism.

Regulations on Bonds

OW011351 Beijing XINHUA Domestic Service in Chinese 0718 GMT 1 Feb 82

[Regulations on treasury bonds of the People's Republic of China for 1982 -- adopted at the State Council regular meeting on 8 January 1982]

[Text] Beijing, 1 Feb (XINHUA) -- Article I

In order to readjust and develop the national economy, properly concentrate financial resources from all quarters, carry out the socialist modernization program and raise the people's material and cultural living standards step by step, it has been decided to issue treasury bonds of the People's Republic of China for 1982.

Article 2

The treasury bonds will be issued to state-owned enterprises, collectively owned enterprises, departments in charge of these enterprises and local governments; administrative offices, mass organizations, PLA units, establishments and well-to-do rural communes and production brigades and teams; and individuals in urban and rural areas.

Article 3

The amount of treasury bonds to be issued each year will be decided by the State Council. Bonds will be issued the same year beginning on 1 January. Payments must be made by units before 30 June and by individuals before 30 September.

Article 4

Treasury bonds bought by units carry an annual interest rate of 4 percent, and those bought by individuals carry an annual interest rate of 8 percent.

All treasury bonds will begin to bear interest on 1 July, and payments made before the deadlines will earn no additional interest.

Interest of bonds will be paid in one lump sum at the time of repayment of the principal. Interest on bonds is not compounded.

Article 5

The treasury bonds are computed in renminbi. Units purchasing bonds will be issued receipts, which may bear the names of the holders, who may report the loss of their receipts. Individual buyers will be issued treasury bonds. The bonds have six face values, namely, 1 yuan, 5 yuan, 10 yuan, 50 yuan, 100 yuan and 1,000 yuan.

Article 6

Repayment of the principal of bonds plus interest will begin from the 6th year after their issuance. Repayment to individual bond holders will be made according to a drawing in five annual installments, and each year 20 percent of the total amount issued will be repaid. There will be no drawing for units holding bonds. Repayment to each unit will be made in five equal annual installments according to the total amount purchased.

Article 7

Matters concerning the issuance and repayment of the principal and interest of treasury bonds will be handled by the People's Bank of China and its subordinate organizations.

Article 8

The funds collected by the issuance of the treasury bonds will be used by the State Council under a unified plan in line with the needs of the development and overall balance of the national economy.

Article 9

The treasury bonds cannot be circulated as currency. Buying and selling of bonds is not permitted.

Article 10

Anyone who forges treasury bonds or undermines the credit of treasury bonds will be punished according to law.

Article 11

The State Council has authorized the Ministry of Finance to interpret the regulations on treasury bonds.

POWER MINISTRY CONTROLS SHANDONG POWER INDUSTRY

OWO20133 Beijing XINHUA Domestic Service in Chinese 1516 GMT 1 Feb 82

[Excerpts] Beijing, 1 Feb (XINHUA) -- Shandong's power industry has recently been put under the direct control of the Ministry of Power Industry. This matter, which involved two ministries and one province, was settled in 10 days. Some people have commented that it will be good if other government organizations do their work as efficiently as the two ministries and one province. Putting Shandong's power industry under the direct control of the Ministry of Power Industry is conducive to making maximum and rational utilization of power resources, meeting the needs for expanding the power networks in north China, east China and Shandong Province and improving management of the power industry.

As the matter involved the finances, plans and personnel of both the central and local authorities, it had to be settled through consultation by the Ministries of Finance and Power Industry and Shandong Province. Leaders of the two ministries and Shandong personally took part in settling the matter through cooperation.

At 1300 on 8 December 1981, Liu Guangming, vice chairman of Shandong's planning commission, arrived in Beijing for talks at the head of the Shandong delegation. At 1600 on the same day, Minister of Power Industry Li Peng and other leaders of concerned departments under the Ministries of Finance and Power Industry called on the comrades from Shandong at the guest house. They reached agreement on the principles for negotiations.

Minister Li Peng told reporters: "In doing work we should have a sense of urgency and responsibility. When we emphasize efficiency it means that we should not do our work hastily and perfunctorily. In taking over the control of Shandong's power industry, our ministry has made careful planning and sufficient preparations. Work should be done not only quickly but efficiently."

XINHUA Commentator's Article

OWO20437 Beijing XINHUA Domestic Service in Chinese 1509 GMT 1 Feb 82

[Text] Beijing, 1 Feb (XINHUA) -- The following is a XINHUA commentator's article, entitled: "Improve Our Work Style, Raise Our Work Efficiency."

It is good and inspiring news that the Ministry of Electric Power Industry has, within 10 days, properly finished a piece of administrative work that involved a province and two other ministries.

Dilatoriness and low efficiency in doing things has almost become a common failing of our state organs in their work. Subjectively, we hope that our economic construction can be carried out at a faster pace, but many departments are dilatory in doing things. Time indicates efficiency, time is money; but it does not mean anything in the minds of many of our comrades who just do not care if one more day is actually required to do something or not.

We should know that the daily national income created in our country is 1 billion yuan which provides a revenue of 290 million. A great deal of wealth has not been created or has been wasted due to our dilatory work style. This has resulted in not only tremendous economic losses but a depression of man's will, vigor and aggressiveness. To overcome bureaucracy and raise work efficiency, we must solve the problems of our state organs' systems and structures on the one hand and improve our mental attitude and work style on the other. Things will be very different when we possess initiative, creativeness and a sense of responsibility. The Ministry of Electric Power Industry is an example.

An important task put forward by the party Central Committee for 1982 in promoting socialist spiritual civilization is to simplify administration, overcome bureaucracy and raise work efficiency. In the course of fulfilling the task of simplifying administration, we must improve our work style and raise our efficiency. By so doing, we will have not only new organizations and new leading groups but a new work style, new mental attitude and better work efficiency.

RENMIN RIBAO PRAISES WORK OF DAQING COMMITTEE

HK300411 Beijing RENMIN RIBAO in Chinese 24 Jan 82 p 1

[Article by Chen Jinyu [7115 6651 3768] and Li Yanming [2621 1693 2494]: "Why Are the Advanced Personalities Here Respected?"]

[Text] We came to Daqing last December. The impression we got from our 2-week investigation was that, in Daqing at present, the production situation is good and the morale of the staff and workers is high. This is encouraging and is worthy of being used as an advanced model on our country's industrial and communications fronts.

At present, there are in some localities and units, isolated unhealthy trends which are opposed to any advance. However, it can be said that this problem basically does not exist in Daqing. The model personalities and advanced communities here are deeply respected. For example, Iron Man Wang Jinxi's heroism of "I'm prepared to shorten my life by 30 years; I'll make an oilfield out of this place if it kills me" is still widely praised by the staff and workers. "Emulating the iron man and scoring new achievements" is highly attractive and is being actively developed throughout the oilfield. Regardless of whether they are old pace setters from the battle era, or newly-emerged fine workers, they all enjoy the concern and love of the leadership and the masses all around them in their political work and personal lives. In the last 3 years, a series of apartment blocks have been built. The leadership and the masses have unanimously agreed to let the model workers move in first. Many model workers have said that they are under "pressure," but it is not pressure resulting from ridicule and attacks for making many contributions, but pressure resulting from the fact that they feel that the honor and help given to them by the leadership and comrades is excessive and that the work that they themselves have done is too little. They are thus ill at ease. Why are the model workers here respected? According to our preliminary understanding, the basic experience of the Daqing party committee in this aspect consists of the following three points:

1. Correctly select and use model workers and strictly demand that model workers maintain a close relationship with the masses from beginning to end.

The annual "appraise, compare, select and set" (appraise thinking, compare contributions, select models and set good examples) activities which started in the early period of the battle for oil have continued up to the present. Although they are held once every year, the masses are not tired of them. They affectionately call them "filling stations." The 1981 general work appraisal for No 1205 and No 1202 drilling teams have already been carried out. From our discussions, we have learned that they have had the effect of commending advances and boosting morale. An evident characteristic of the model workers selected as a result of this thorough summation, appraisal and comparison, is that they have hard facts to back them up and enjoy great popularity among the masses. Everyone says that "the Daqing model workers are self-made. It was only we who selected them. We can never take this away from them." There was a time when certain young workers talked about how "modernization calls for computers and how it was considered backward to recite account books and take stock like Qi Lili." The vast numbers of staff and workers at Daqing are of the opinion that, at present, as far as management of our country's enterprises goes, it is not yet possible to popularize computers and that the more Qi Lili-style "living account books" there are, the better it is for their work. Even when computers are eventually popularized, we will still need Qi Lili's spirit of seeking perfection in one's job to master the computers. Consequently, the Daqing party committee has once again decided to emulate Qi Lili and has increased her wage grade from 3 to 5. (Recently, Qi's unit acquired a computer. The first thing the leadership did was to send her off to learn how to run the thing. She is now at school receiving technical training.) Because the leadership at all levels took a clear-cut stand in supporting advance and did a good job in bringing out the best in model workers, the healthy tendency to learn advanced things will prevail throughout the oilfield for a long time to come.

2. Strengthen ideological and political work, resolutely resist and eradicate all kinds of intrusions by erroneous ideologies into the ranks of the staff and workers and gradually reduce the gap between the ideology of advanced staff and workers and the ideology of staff and workers who lag behind. This constitutes an important ideological guarantee that advanced elements will not be isolated or attacked.

At present, the ranks of political workers are basically complete from top to bottom. The time required for political study is already much shorter than it used to be and formalistic methods have to a certain extent disappeared. Further, certain past fine traditions and methods of carrying out ideological education on the staff and workers have basically managed to persist. In this respect, two things impressed us most. First, they are devoting major efforts to doing a good job of investigation and research and promptly grasping the ideological developments among the vast numbers of staff and workers, thus prescribing a cure to suit the illness. Second, they are striving to mobilize party and CYL members, old workers and advanced model personalities to enthusiastically do a good job of transforming young people who lag behind. They are of the opinion that if they cannot even help those members of their own class who lag behind to transform themselves, how will they ever be able to liberate the whole of mankind? According to statistics, in the past 2 years, out of several thousand youths who lag behind or who do wrong, two-thirds have already made a clear change. Of these, 458 have joined the CYL and 547 have become advanced producers in districts, factories and companies.

3. Resolutely improve the party's work style and make leaders stand for being advanced.

According to statistics, at Daqing, new party members who have joined the party since the "Great Cultural Revolution" account for about 70 percent of all members. Since 1970, new workers account for about 70 percent of all staff and workers. In recent years, cadres taking up new workposts have accounted for about 70 percent of all cadres. In view of this new situation, the Daqing party committee is of the opinion that if they do not take the lead in carrying on and developing the Daqing spirit and devoting major efforts to strengthening the self-construction of leading groups at all levels, there is the possibility that they will be out of tune with the thinking, emotions and conduct of advanced elements and will not be able to build a solid contingent of advanced staff and workers to meet the needs of the increasingly arduous construction tasks in the oilfields. As far as the leading groups at all levels in Daqing leading the way in implementing the "guiding principles" is concerned, the following things impressed us most. First, after the Bohai No 2 incident, they conscientiously mopped up "leftist" errors and strived to achieve political unanimity with the Central Committee. Second, they have done quite a good job in getting leading cadres to delve into actual conditions and in getting grassroots cadres to lead the way. Third, leading cadres practice what they preach and do not seek privileges. In the last 3 years, they have built 581 apartment blocks and 20,000-odd households have moved in. However, 28 important leading comrades in the Daqing Municipal CCP Committee and municipal government have, in accordance with the principle of "the masses before the leaders," made strict demands on themselves. Apart from two who worked at the basic level and who moved into the same apartment block as the leading comrades of their unit, none of the others are living in the apartments. There are 13 members of the standing committee of the municipal CCP committee and vice mayors who to this day are still living in houses "with walls of packed earth" dating back to the oil battle period. Sons and daughters of members of the standing committee of the municipal CCP committee and of vice mayors who work in Daqing, have been assigned arduous production posts.

Naturally, not everything is advanced in Daqing. There are still some "backyards," as they themselves say. Social problems and malpractices, like corruption in economic work, also exist in Daqing. It is merely that these are dealt with seriously once discovered. Therefore, socialist righteousness has gained the upper hand here.

DEVELOPMENT OF COOPERATIVES IS ENCOURAGED

HK300233 Beijing CHINA DAILY in English 30 Jan 82 p 1

[Text] China must actively encourage the development of collectively-owned enterprises, which play an important role in the socialist economy, by providing more consumer goods and employment and conserving energy resources, Xu Yunbei, deputy minister of light industry, said yesterday.

Collectively-owned enterprises, or cooperatives, are the second form of ownership in China. The first is state ownership, which includes all major industrial and agricultural enterprises. Cooperatives are usually owned by a group of people or a commune, who start the business either with their own capital or with government loans. They bear their own business risks, pay taxes, and divide the profits among themselves.

These enterprises are a complement to state enterprises in many aspects, Xu said. Most of them produce clothing, plastic products, furniture, handicrafts, toys, hardwares, electric appliances and other daily necessities, and provide various kinds of catering services.

The development of such enterprises has undergone "too many ups and downs in the last 30 years," Xu said.

Under the influence of the "Great Leap Forward" in 1958 collectively-owned enterprises were denounced as having capitalist tendencies. More than 100,000 handicraft producers' cooperatives were closed and about five million handicraftsmen were dismissed or transferred. As a result, Xu said, the production of consumer goods dropped drastically and brought on shortages of daily necessities.

During the 10 years of the "Cultural Revolution" (1966-76), cooperatives suffered another great setback, Xu said. Under the ultra-leftist line adopted by the government, another 20,000 enterprises were shut down and their 1,196,000 workers were either dismissed or moved to other work units.

A recent investigation revealed that in the city of Yangzhou in Jiangsu Province, of the 248 kinds of products made by the city's cooperatives in 1965, only 86 are still in production. In northeast China's Liaoning Province, production of more than 60 kinds of consumer goods still has not resumed, despite efforts by the local government to revive collective enterprises.

"Some well-known and once widely welcomed traditional products have been on the brink of being lost," Xu said.

"Even now," he said, "collectively-owned enterprises are belittled by many government officials and society, and are not treated as equal to state-run enterprises, either economically or politically."

But, he said "collective enterprises have great vitality and anyone who scorns them or has a prejudice against them is short-sighted."

In 1980, Xu said, the total output value of the 58,000 cooperatives came to more than 49.3 billion yuan, about 17.5 percent of China's annual industrial output and 51.33 percent of its light industrial output that year.

The foreign exchange earned by these enterprises in 1980 exceeded US \$3.166 billion, nearly 71.6 percent of the total amount earned by the nation's light industry.

In addition, Xu said, cooperatives provided jobs for more than 400,000 people in 1980, increasing the total number of workers involved in such work to 6.85 million.

ECONOMIC EXPERTS ON ROLE OF ECONOMIC CENTERS

HK310408 Beijing ZHONGGUO XINWEN SHE in Chinese 0910 GMT 30 Jan 82

[Text] Beijing, 30 Jan (ZHONGGUO XINWEN SHE) -- Well-known Chinese economic experts Xue Muqiao, Ma Hong and Liu Mingfu wrote in the current issue of SHIJIE JINGJI DAOBAO reviewing the role of central towns and economic centers. They held that large economic centers play a decisive leading factor role in the national economy.

China has many central towns. For instance, Shanghai is the economic center of east China and faces the whole country; Tianjin is the economic center of north China; Guangzhou, Qingdao, Dalian, Wuhan, Sheyang, Chongqing, Xian and so on are all relatively large economic centers.

The writers say that central towns of recent and modern times were formed in the wake of the continuous development of the commodity economy. They are relatively concentrated centers of social economic activities, that is, of production, exchange, distribution and consumption. The economic centers have formed naturally, and differ from the artificial administrative divisions. They possess tremendous adaptability and flexibility. Economic centers cannot be simple administrative divisions; their economic activities do not depend on administrative force or the issuing of orders, but represent a kind of economic relationship, which can go far beyond the scope of administrative control. The key to bringing into play the role of the economic centers lies in breaking through the limits of "trammels" and "chunks." At the same time, they stress that the position and role of the economic centers certainly do not mean that administrative controls and guidance are not required, but that administrative and economic controls should be integrated and that they should follow the state policies in making use of economic levers such as prices, revenue and credits to promote economic development.

They also hold that China's socialist economy is still a commodity economy, and the central towns remain the economic hubs. Since this is a planned commodity economy established on the foundation of public ownership, the economic centers in socialist society have a new and special role different from that of capitalism and possess greater vitality than it does.

They point out: In shouldering their tasks as economic centers, the central towns should, revolving around expanding production of consumer goods, promote industrial reorganization and combination of trades, revive and open up all kinds of rational commodity production and circulation channels, and then proceed to bring into play the role of financial credits, information and forecasting, scientific research, and the popularization of new technologies, so as to gradually rationalize the economic structure. It is necessary to do a good job in supply work, make a success of organizing wharves and transport, and run well various services such as hotels, communications, telecommunications, and consultative bodies, in order to bring into play the role of the economic centers.

PRC TO HOLD EXPORT COMMODITY FAIRS IN 1982

OW290615 Beijing XINHUA in English 1205 GMT 29 Jan 82

[Text] Beijing, January 28 (XINHUA) -- China is to hold eighteen specialized export commodities fairs in nine cities in the first half of this year, according to an announcement by the Ministry of Foreign Trade.

Two fairs will be held in Guangzhou in February, one on woolen sweaters and one on ready-to-wear and knitwears. Others are hand-made embroidered shoes in Hangzhou, late February; cotton and polyester-cotton piecegoods in Hangzhou in March, woolen piecegoods in Shanghai, March; feather, down and leather products in Chengdu, March; flax, ramie, jute and their products in Beijing, March; herbs and medicine in Beijing, March; tea in Hangzhou, March; silks and satins in Shanghai, March; leather shoes in Zhengzhou, March; rugs in Beijing, April; dried and preserved fruits in Kunming, April; products from mountainous areas in Changsha, April; straw, wicker, rattan and bamboo woven articles in Wuxi, April; household electrical appliances and building materials in Hangzhou, April; and cereals, oils and foodstuffs in Guangzhou, May.

A minifair dealing in feather, down, fur and leather products was held in Shanghai from January 5 to 15.

A spokesman for the Ministry of Foreign Trade said that the volume of transactions at specialized minifairs has gone up from year to year. More overseas buyers will be invited to the fairs this year and an increase in volume of business is expected.

The semi-annual Guangzhou commodities fair has changed its format this year. Both spring and fall fairs will last only 20 days and a different group of products will be shown in spring and fall.

VICE PREMIER BO YIBO ON PROMOTING EXPORTS

OW300633 Beijing Domestic Service in Mandarin 2230 GMT 28 Jan 82

[Text] The 29 January edition of JIXIE ZHOUBAO [MACHINERY WEEKLY] published in article by Vice Premier Bo Yibo: "Actively Explore International Markets for China's Machinery and Electrical Products." Comrade Bo Yibo wrote the article for the first edition of the bimonthly ZHONGGUO JIXIE [CHINA MACHINERY], which is jointly run by Hong Kong's WEN WEI PO and JIXIE ZHOUBAO.

The article says: machinery and electrical products account for one-third or more of the total volume of world exports, and the trend indicates that this proportion keeps rising. The total volume of world exports of machinery and electrical products is nearly \$600 billion a year. China's exports of machinery and electrical products only account for 0.1 percent of the total volume. China exports more labor-intensive than high-precision products and complete sets of equipment. This situation is obviously far behind the requirements for our national construction.

The article points out that China has established a fairly large-scale and sound network of machinery and electronic industries, producing a large variety of machinery and electrical products which are up to standard. Our plan is to strive to raise China's exports of machinery and electrical products in 1985 a few times above the volume exports in 1980. This means that exports of machinery and electrical products must be maintained at a growth rate faster than the rate of growth of production and the export growth rate of other products. To realize this plan, the manufacturing plans must stabilize or improve the quality of their export products, strengthen scientific research, improve product designs, improve servicing for articles sold, do a good job in collecting information on the world market and gradually set up a marketing network for selling Chinese products. If the manufacturing plants do this work well, they will certainly be able to sell their products to more customers, and exports of China's machinery and electrical products will certainly increase.

CITIC OFFICIAL RECOMMENDS USING FOREIGN LOANS

HK310333 Beijing CHINA DAILY in English 31 Jan 82 p 1

[Report: "Industry Urged To Use Commercial Loans Well"]

[Text] China must be bolder in using foreign loans to help finance improvements in technology and productivity, and not shy away from taking our commercial loans which carry higher interest rates, says Lei Renmin, vice-president of the China Finance Society and deputy manager of the China International Trust and Investment Corporation (CITIC).

Lei, who spoke at the recent annual meeting of the finance society, said: "If we can use foreign capital to give a push to production, the benefits derived from these loans will offset their interest rates. Such (commercial) loans are worth it and can be repaid with no problem."

He said loans from international financial organisations, or aid packages from other governments may carry low interest rates but usually have requirements or prerequisites which in the long run prove to be more costly. Commercial loans, he said, though high in interest rates, come with no strings attached to them.

Although commercial interest rates are high, Lei said, they are offset by the rate of inflation in the West and the real rate becomes the difference between the rates of interest and inflation.

In capitalist countries, he said, demand for commercial loans rarely depends solely on interest rates. During inflationary periods, interest rates rise, but demands for loans is high. Whereas, in times of recession, few are willing to take out loans or invest even though interest rates are lower.

The reason, Lei said, is that the capitalists want to make a profit, and as long as profits exceed interest rates, they are willing to take out loans.

Chinese should be more clever than the capitalists, he said, and not look only at interest rates when taking out loans.

The use of foreign capital can upgrade China's industry, raise levels of technology and productivity, and help the Chinese master advanced economic management, Lei said.

SHANGHAI TO FURTHER DEVELOP FOREIGN TRADE

HK010935 Beijing ZHONGGUO XINWEN SHE in Chinese 0813 GMT 30 Jan 82

[Report: "Shanghai Will Further Develop Foreign Trade"]

[Text] Shanghai, 30 Jan (ZHONGGUO XINWEN SHE) -- According to a report in SHIJIE JINGJI DAOBAO, Jia Zhenzhi, general manager of the Shanghai Municipal Foreign Trade General Company, has said that the future of the development of foreign trade is promising. There are at present in Shanghai 7,000-odd factories with over 4 million staff and workers, as well as scientific and technological research bodies and technical personnel that are closely integrated with production. Shanghai will give further play to the superiority and greater capacity for designing, bringing about and cooperating in forming complete sets of equipment, of having a higher level of technological equipment, of greater convenience in technological exchange at home and abroad, and so forth, and thus boldly develop foreign trade. Consequently, Shanghai's foreign trade will enjoy a relatively higher rate of development.

Jia Zhenzhi said that Shanghai already has business contacts with 18,500 households in over 160 countries and localities. Last year, export commodities supplied by Shanghai rose by 10 percent. A new change has taken place in the make-up of export commodities, the variety of industrial products has increased, and the proportion of exports has risen.

He said that, as for the export of products made from imported raw materials, we have, in the past 2 years, imported nearly \$100 million worth of goods, but export commodities have increased by over \$500 million. At the same time, the state has, through loans, afforded financial help to production departments to enable them to actively expand the production capacity of the export commodities. Within a few years, 156 new factories and workshops have been built and every year the export of goods can be increased by \$1 billion. In Shanghai suburban counties and urban streets, efforts are being devoted to developing the variety of export products. At present, there are already over 250 production points producing and processing over 130 varieties of marketable commodities.

Jia Zhenzhi said that Shanghai foreign trade departments have also actively launched various kinds of lively trade and are carrying out technological cooperation with foreign and Overseas Chinese capital. Within a few years, they have signed over 1980 contracts for the processing of foreign materials and the assembling of foreign parts and over 110 contracts for carrying out medium and small-scale compensation trade.

Jia Zhenzhi was of the opinion that, in order to accelerate the pace of development of foreign trade in Shanghai, its heavy industrial sector will increase production of marketable machinery products, petrochemical products, electronic products, various apparatus and meters, medium and small-scale complete equipment sets, and will run an export and technical service. As for products of the light industrial sector, we will, in accordance with the tastes of foreign consumers, devote efforts to increasing the variety and design of medium and high-grade everyday industrial products and improve models and packaging. Products of the textile sector will develop in the direction of high quality and grade and variety. As for the artistic products of the handicraft industry, we will develop marketable varieties in a planned way, continuously innovate in accordance with the needs of foreign markets, and continue to devote efforts to making everyday products more artistic and artistic products more practical.

GONGREN RIBAO: LIU SHAOQI ON LABOR ATTITUDE

HK020227 Beijing GONGREN RIBAO in Chinese 7 Jan 82 p 3

[Article by Li Yang [2621 2254]: "Engage in Work and Production With a Heightened Attitude of Being Masters -- Some Understanding From Studying Liu Shaoqi's Article 'View the New Labor With a New Attitude'"]

[Text] The article "View the New Labor With a New Attitude" was written by Comrade Liu Shaoqi in March 1934 and addressed to staff and workers. That was 48 years ago. But as we read it today, we still feel that it touches our hearts and are thus much inspired and enlightened.

Comrade Liu Shaoqi's theme was that staff and workers of soviet enterprises and cooperative enterprises should view the new labor with a new attitude. His call was: "Workers and staff of state enterprises and cooperative enterprises should love their own, the people's own, factories and enterprises. They should offer all their skill and talent to the struggle for the development and strengthening of the soviet enterprises and cooperative enterprises and devote their utmost efforts to production." What was mentioned as the new attitude was the attitude of being masters.

Why should we adopt the attitude of being masters to view labor? Because under the rule of the government of the landlord and capitalist classes, plants, mines and all the tools for production and communication were held in the hands of the landlords and capitalists. In order to live a luxurious life, they forced the workers to work for them like animals in order to produce profits. But the deeply exploited and oppressed workers and staff rose and struggled with the capitalists and landlords. They held work slowdowns, staged strikes and damaged or destroyed plant machinery. This was all very necessary and was in fact a revolutionary act.

But, under the soviet government led by the Communist Party, "soviet plants and enterprises and cooperative enterprises were properties publicly owned by the industrial and agricultural masses. Their production was not for the purpose of exploiting the workers and producing profits to support and keep alive some parasites, but for the purposes of meeting war needs, of satisfying the needs of the industrial and agricultural workers and creating the greatest happiness for mankind." In other words, in the past, workers were the slaves of landlords and capitalists and they worked for the landlords and capitalists; but now workers are the masters of the enterprises and they work for themselves. This change in the character of labor generates a new attitude for labor.

Today, the condition of socialist China is radically different from that at the time when Comrade Shaoqi wrote his article. The internal revolutionary war had ended. The people's government of a nationwide scope has been founded for more than 30 years. Landlords and the capitalist class have been eliminated while plants and enterprises have all become the properties of the people. The working class has become the masters of the nation and of the enterprises. Changes of this kind all the more demand that our workers and staff engage in work and production with an attitude of being masters of the nation and of the enterprises.

It is certain that at present the great majority of our staff and workers view labor with an attitude of being masters. They have a heightened sense of responsibility as masters of the nation. They shoulder the historical task of engaging in socialist modernization. They fear no difficulties but gravely undertake heavy burdens and engage in their work steadfastly. They have accomplished great successes in developing production. However, there definitely still remains a portion of staff and workers who do not understand that the work they are engaged in is for the liberated enterprises of the whole of mankind and at the same time for the working class itself. Hence, they do not assume the attitude of being the masters, but rather that of a hired laborer, in viewing the work they engage in. Their ideological consciousness is low. Their labor discipline is lax. They do not observe the regulations of the plants and only look towards "making money." They do not work conscientiously and pay no attention to the quality of their products. They even harm the public to benefit themselves. They appropriate public properties, and so on. Adverse phenomena of this kind must be dealt with in real earnest and be swiftly rectified.

How should we rectify adverse phenomena of this kind on the part of the staff and workers? What Comrade Shaoqi suggested in his article is suitable for use today. He wrote: "The most important task of the labor unions and progressive workers in the state enterprises and cooperative enterprises is to teach the workers to adopt a new attitude in viewing the new labor, to raise the enthusiasm for work among the workers and to bring into full play the creative spirit of the workers in order to struggle against old habits and customs." We must strengthen the ideological and political work and educate the staff and workers to maintain and bring into full play the true qualities of the working class so that they will adopt the attitude of being masters of the state and the enterprises and correctly handle the relationships between the state, the collective and the individual, conscientiously bring about the subservience of individual interests and partial interests to the interests of the whole, and temporary interests to long-term interests, and engage in work and production for the sake of the socialist modernization construction. We must gradually build up the ranks of our staff and workers into a contingent of fighters who are progressive in thought, skillful in technique, well-disciplined, cooperative and strongly united, and valiantly fighting for the construction of the four modernizations.

The commendation of progressive deeds, encouragement of exemplary personages, and criticism of backward ideology and unhealthy phenomena have been effective measures of long standing in our handling of ideological and political work and in strengthening the build-up of the contingent of our staff and workers.

More recently, the party Central Committee has decreed that all leadership cadres and the broad masses of staff and workers must, taking due note of their own concrete conditions, learn from all progressive and exemplary experiences including that of Daqing. Based on this spirit, the various levels of party organs and labor unions must firmly overcome the lax and weak state of ideological and political work, actively support and help the administration of the enterprises to strengthen business management and to achieve the objectives of daring to grasp and to control and being entirely impartial in punishment and awards. Appropriate commendations and awards should be given to those among the staff and workers who are good workers and have done good work, while as for those who have seriously violated labor discipline and are incorrigible, the enterprises are empowered to act according to the rules and to impose on them punitive measures of an economic or administrative nature, including their expulsion or dismissal.

It is our firm belief that, in conformity with the current real conditions, studying seriously this article of Comrade Shaoqi will certainly be helpful in upgrading the ideological understanding of the broad masses of staff and workers and in further building up a heightened sense of responsibility on their part of being the masters.

LIU SHAOQI ON 'INSIDE STORY OF QING COURT'

HK300302 Beijing HONGQI in Chinese No 2, 16 Jan 82 p 49

[Article by Wu Zhitang [0702 2535 2768]: "How Did Liu Shaoqi Comment on 'The Inside Story of the Qing Court?'"]

[Text] How did Comrade Liu Shaoqi comment on the film "The Inside Story of the Qing Court" when it was screened shortly after the founding of the People's Republic? Did he really praise it as a "patriotic" work? This has been a question of public concern for over a decade.

The origin of the question has to be traced back to the spring of 1967. On 1 April that year, Qi Benyu trotted out an article entitled "Patriotism or National Betrayal? -- Commenting on the Reactionary Film 'The Inside Story of the Qing Court.'" In this article, he obstinately asserted that Comrade Liu Shaoqi once lauded "The Inside Story of the Qing Court" as a "patriotic" film. Seizing on this, he went on to sling mud at Comrade Liu Shaoqi, saying that Liu had all along practiced "national betrayal" and was "the top party person in power taking the capitalist road." He was not going to be content with anything less than Liu Shaoqi's destruction. The real facts of history show that all these allegations were charges fabricated by Lin Biao, Jiang Qing and Qi Benyu for the purpose of framing Comrade Liu Shaoqi.

In fact, shortly after the screening of the film "The Inside Story of the Qing Court," Comrade Liu Shaoqi, just like Comrade Mao Zedong, held a critical opinion of the film's ideological trend and deemed that it preached reformism. This was clearly reflected in Comrade Liu Shaoqi's speech at a study forum organized by the CPPCC National Committee for democratic personages.

Comrade Liu Shaoqi's speech that day focused on the study of Marxism-Leninism and the question of the interrelationship between reforming the objective world and reforming the subjective world. Discussing the film "The Inside Story of the Qing Court" in connection with the widespread movements carried out at that time commencing with the movements for land reform, to resist the United States and aid Korea and to suppress the counterrevolutionaries, he criticized this film and said it was not worth any positive appraisal because it preached reformism. He said: "The Inside Story of the Qing Court" preaches reformism. It gives people the impression that had Guang Xu been able to do this or that, we could have lived without the revolution, without Dr Sun Yat-sen and even without what we are pursuing now. Comrade Liu Shaoqi also pointed out: Reformism has been tried out, but it did not work. There is no compromise on the question of class struggle. In a given historical period in the development of a society, it is necessary to overthrow the reactionary class in the interest of the overwhelming majority of the people.

Today, if you wholeheartedly support land reform instead of opposing it, you stand for truth and progress. The same applies to the building of socialism in the future. It is evident that in these remarks, Comrade Liu Shaoqi was criticizing the ideological trend of the film "The Inside Story of the Qing Court" as reformist. He had no intention whatsoever of lauding it as patriotic.

It was precisely for this reason that when Qi Benyu's defamatory article was trotted out, Comrade Liu Shaoqi was able to justifiably knock the bottom out of this violent attack which stood truth on its head and confused enemy with friend and say: "There are many lies in this article. When did I say that this film (referring to "The Inside Story of the Qing Court") was patriotic? When did I talk about becoming a 'Red comprador?' These claims do not tally with facts and are false charges." These few forceful words have hit the nail on the head and laid bare the whole essence of the question.

Lies written in ink cannot change the iron-clad facts of history. As the "Resolution on Certain Questions in the History of Our Party Since the Founding of the PRC" pointed out: "Irrefutable facts have proved that labeling Comrade Liu Shaoqi a 'renegade, hidden traitor and scab' was nothing but a frameup by Lin Biao, Jiang Qing and their followers." Irrefutable facts have also repudiated all the slander and libel of Comrade Liu Shaoqi by Lin Biao, Jiang Qing and their followers in connection with the film "The Inside Story of the Qing Court."

BRIEFS

COAL, OIL, POWER PLANS -- Beijing, 1 Feb (XINHUA) -- Our country's energy industry has won speedy success in the first month of this year. The state coal, petroleum and power production plan for this month has been fulfilled in an all-round way, thus bringing about a good situation seldom seen in many years. Statistics show that 49.41 million dun of raw coal were produced in January throughout the country, exceeding the target by 3.51 million dun. The coal mines, whose output is distributed by the state in a unified way, produced 28.8 million dun of coal, a 4.1 percent increase over the same month of last year. The production plans for January were also overfulfilled by 17 major coal-producing provinces and regions, including Hebei, Heilongjiang, Henan, Jiangsu and Anhui, and by the Datong, Hegang, Xuzhou and 69 other mining bureaus. In January the country produced 26.1 billion kilowatt-hours of electricity and 8.66 dun of crude oil, increasing by 4.2 percent and 0.7 percent respectively over the same month of last year. Eleven major power systems in north, northeast and east China and the Daqing, Shengli, Liaohe, Xinjiang and 10 other oilfields all overfulfilled their production plans for January. [Beijing XINHUA Domestic Service in Chinese 1209 GMT 1 Feb 82 OW]

ANHUI RETURNS PEASANT-WORKERS TO RURAL AREAS

OW310532 Beijing XINHUA Domestic Service in Chinese 0048 GMT 30 Jan 82

[Excerpts] Hefei, 30 Jan (XINHUA) -- By setting right the party work style and bringing into play the exemplary role of the cadres at all levels, Anhui Province has returned 102,400 peasant-workers to their farming posts in the countryside in the past 6 months.

The peasant-workers are the workers with rural household registration hired on a temporary basis by urban enterprises. The large influx of peasant-workers into the cities has adversely affected the state labor plan, worsened the overstaffing in many enterprises, obstructed the placement of unemployed urban youth, undermined the relationship between the party and the masses and caused dissatisfaction among the masses. The departments concerned in Anhui Province have repeatedly issued circulars and other documents banning the hiring of peasant-workers and urging enterprises to fire those already on their pay-rolls. Nevertheless, the number of peasant-workers in Anhui did not decrease. On the contrary, the number became larger and larger. There were 148,000 peasant-workers at the end of 1979, 152,000 at the end of 1980 and 158,000 in first half of 1981.

In July 1981, the Anhui Provincial CCP Committee and People's Government held a meeting to specifically study the problem. They contend that, among the many reasons for the large influx of the rural labor force into the cities, the primary one is that of some leading cadres' using personal influence to get their peasant relatives and peasant friends jobs in government organizations and enterprises. This is the key reason for the failure in solving the long-standing peasant-worker problem. The provincial party committee has emphasized that the party and government leaders at all levels must regard the return of the rural labor force to countryside as an important task of setting the party style of work to rights.

Many leading cadres who found city jobs for their peasant relatives and peasant friends have taken the lead in returning them to where they came from.

At present, the Anhui provincial party committee is continuing the efforts and is determined to carry the task of returning peasant-workers to the countryside through to the end.

NANJING URGES PROMOTING COMPETENT YOUNG CADRES

OW011329 Nanjing XINHUA RIBAO in Chinese 22 Jan 82 p 1

[Article by XINHUA RIBAO commentator: "A Pressing Strategic Task"]

[Text] Paying attention to selecting and training outstanding young cadres is the party Central Committee's consistent guiding principle. Since the 3d plenary session of the 11th party Central Committee, the Central Committee has repeatedly explained the great significance of selecting young cadres and stressed the urgency in doing this well. It is now a pressing strategic task facing the whole party to build up a large contingent of revolutionary, well-educated, professionally competent and younger cadres.

To select more cadres who combine ability and political integrity and who are in the prime of life and appoint them to leading posts at all levels, we must further achieve unified understanding on the part of the leadership at all levels. Only when the leadership really understands that this is a significant policy decision concerning the future and destiny of the party and state will it give first place to the task and make serious and concerted efforts to carry it out. We must continue to eliminate the longstanding influence of "left" thinking on cadres, smash the bonds of the old concept of "promotion based on seniority" and the metaphysical notions that "gold must be pure" and that "man must be perfect." Only when the guiding ideology is correct will it be possible to really emancipate our minds, broaden our vision, find large numbers of competent people and speed up the selection of outstanding young cadres.

In selecting cadres, we must appoint people on their merits and adhere to the criterion that they must have both ability and political integrity. Attention must be paid first to their political integrity. First, we must consider a cadre's performance during the 10 years of internal disorder and especially his attitude toward the line, principles and policies formulated since the 3d plenary session of the 11th party Central Committee and find out whether he upholds the four fundamental principles. Second, we must see if he cherishes the idea of serving the people wholeheartedly, shows a high spirit and is willing to do solid work. Third, we must see if he insists on seeking truth from facts, dares to tell the truth, is upright in his work style and acts according to party principles. Fourth, we must see if he upholds democratic centralism, conducts criticism and self-criticism and unites comrades to work together. In assessing a cadre's political integrity, we must be strict and resolutely prevent from getting into leading bodies those who followed Lin Biao, Jiang Qing and company and advanced themselves through rebellion, who are seriously influenced by factional ideas, who were smash-and-grabbers and who stubbornly resist the line, principles and policies of the 3d plenary session of the 11th party Central Committee. This is to insure that leadership at all levels is really in the hands of people politically firm and reliable and trusted by the people. On the premise that we have made sure that a cadre is revolutionary, we must also see if he has the vocational ability, specialized knowledge and organization and management competence to qualify for the job he is now holding. Only by really having cadres who have both ability and political integrity can we guarantee the smooth implementation of the party's correct line and insure that our country's socialist modernization program will advance along the right course.

To accurately select good successors, we must boldly take the mass line and insist that the leadership must integrate with the masses. In the course of selecting cadres, many localities and units have combined the results of public opinion polls, recommendations by the masses, investigations by organization departments and collective discussions of party committees, thus discovering many competent people while insuring the quality of cadres selected. The more than 100 cadres selected this time for leading positions in provincial departments, commissions, offices and bureaus and prefectures and municipalities are selected on the basis of giving full scope to democracy, extensively following the mass line and serious examination and understanding. Therefore, the selection is fairly accurate and good, and the masses are rather pleased with it.

In selecting and training outstanding young cadres, our senior cadres have an especially important historical mission. Especially after the young cadres have assumed leading posts, it is all the more important for the senior cadres to enthusiastically support them in their work by passing on experience, giving help and setting an example. With old, middle-aged and young cadres closely united, learning from each other, supporting each other and fighting side by side, our party's cause assuredly will grow and flourish.

ZHEJIANG'S TIE YING ADDRESSES TEA PARTY

OW011806 Hangzhou ZHEJIANG RIBAO in Chinese 24 Jan 82 p 1

[Text] The Zhejiang Provincial CPPCC Committee and the United Front Work Department of the Zhejiang Provincial CCP Committee cosponsored a Spring Festival tea party yesterday for noted personages from all circles to mark the Spring Festival.

Leading comrades of the Zhejiang Provincial CCP Committee Tie Ying, Chen Zuolin, Xue Qu and Cui Jian; and Yu Jiyl, head of the united front work department of the provincial party committee, cordially extended their festive regards to those in attendance and wished them a happy Spring Festival and good health.

The tea reception was chaired by Mao Qinhua, chairman of the provincial CPPCC committee. Comrade Tie Ying addressed the meeting.

Comrade Tie Ying said: The United Front Work Department of the party Central Committee recently held a national conference on united front work, and Chairman Hu Yaobang gave an extremely important speech at the meeting. During the new historical period, the united front still has great vitality and is still an important magic weapon for our party. As long as our party exists, so will the alliance between our party and the nonparty factions and the party's united front work. From now on, the number of our friends will be increasing and the scope of the party's united front work will continue to expand. For this reason, our party's policy of establishing a relationship of "long-term coexistence and mutual supervision" with the democratic parties is by no means a so-called expediency. The system of multiparty cooperation under the CCP leadership is a special feature and a strong point of our state's political system. In our future united front work, we must continue to eliminate the "leftist" influence and guard against and combat the closed-door policy. We must continue to foster democracy, consult with all democratic parties on state affairs, discuss with them various major policies and measures and extensively listen to the opinions of people from all circles. This is a fine tradition of our party. We must follow this general policy of our party and welcome everybody's criticism and suggestions regarding improvement of our democratic and legal system and rectification of our party discipline and work style. The democratic parties have a long history of cooperation with our party. They are long-tested old friends of our party. Therefore, we should consult with each other on an equal basis, learn from each other and establish a relationship of showing utter devotion to each other and shaping honor and disgrace so we can unite and dedicate heart and soul to the four modernizations.

Comrade Tie Ying pointed out: In the course of socialist revolution and construction over the last 3 decades or so, people from all walks of life have played a positive role in and made great contributions to our motherland's prosperity and strength. Among the members of various democratic parties and those people with whom they have established ties, many are experienced experts who have specialized knowledge in the political, economic, scientific and technological, cultural and educational, medical and health fields. They are an important force in the four modernizations. It is hoped that during the new year they will effectively perform their duties at their respective posts and make still greater contributions to the accomplishment of the various assignments for our province. It is also hoped that they will continue to hold high the patriotic banner and, through various channels and in various ways, actively propagate our party's and our government's principles and policies, introduce our motherland's situation, link up the relations between the two coasts of the strait and make positive contributions to the return of Taiwan to the motherland and to the early realization of national reunification.

Comrade Tie Ying concluded: The current period is really the most vigorous and most hopeful period in the last 30 years or so since the founding of the country. This is a period for building a strong country and a period in which we can display our skills to the full.

We firmly believe that all of us certainly will rally more closely around the party Central Committee, continue to consolidate and develop our patriotic united front and strive to build a socialist material and spiritual civilization and to attain the fundamental goal of "great reunification and great unity."

Tang Yuanbing, He Zhibin, Cai Bao, Zhu Zuxiang, Zhou Chunhui and other comrades also addressed the tea party.

Attending the tea party were certain NPC deputies and members of the CPPCC national committee in Hangzhou, leading members from various democratic parties and the association of industry and commerce in our province and noted personages from various circles. More than 100 people attended in all. Also attending the tea party were leading members of the provincial people's congress, the provincial people's government, the provincial CPPCC committee and other departments concerned.

The Spring Festival tea party was permeated with a warm atmosphere of joy and unity from beginning to end.

BRIEFS

JIANGSU INDUSTRIAL OUTPUT -- Beijing, 23 Jan (XINHUA) -- Industrial output value in Jiangsu Province was 49,390 million yuan last year, 4.9 percent above the quota and a 7.9 percent rise over 1980, according to the "WORKERS' DAILY". For the second year this coastal province has ranked second in the country, after Shanghai, China's largest industrial center, in industrial output value. Shanghai produced an industrial value of 64,680 million yuan in 1981. In keeping with the rising popular demand for consumer goods, the provincial authorities have given greater emphasis on the development of the light and textile industries these years. They chalked up 28,800 million yuan in 1981, 15.3 percent more than in 1980 and accounted for nearly 60 percent of the province's total industrial output value. Compared with 1980, output of cotton, cloth, printed and dyed fabrics, silk fabrics, cigarettes, wine, salt, sugar, refrigerators, cameras, recorders and television sets went up between 5 and 84 percent last year. Output of washing machines increased 430 percent. [Text] [Beijing XINHUA in English 0735 GMT 23 Jan 82 OW]

JIANGSU EXPORTS -- Nanjing, 16 Jan (XINHUA) -- Jiangsu Province's exports in 1981 were valued at 1,080 million U.S. dollars, 27.7 percent more than in 1980, according to the provincial foreign trade bureau. The increase resulted from the adoption of flexible trade arrangements, including processing with materials provided by overseas clients and compensation trade. In addition, the quality and packaging of export commodities were improved and new varieties and designs were added in 1981, the bureau said. Last year, 128 sales promotion groups were sent abroad to promote Jiangsu's exports. [Text] [Beijing XINHUA in English 0713 GMT 16 Jan 82 OW]

SHANDONG NEW COLLIERIES -- A self-designed and constructed large colliery with an annual production capacity of 3 million tons -- the (Xinglongzhuang) colliery under the Yanzhou Mining Bureau -- has won speedy success in the first month of its production. By 20 January, the colliery had produced 51,400 tons of coal, prefulfilling the state-assigned January production plan. Another colliery with equal production capacity is under construction in the western part of Teng County, Shandong Province. Construction on the colliery began in October 1977. [Jinan Shandong Provincial Service in Mandarin 2300 GMT 25 Jan 82 SK]

SHANDONG INDUSTRY, TRANSPORT -- Shandong Province scored achievements in industrial and communications production in 1981. The province's industrial output value in 1981 was 33.53 billion yuan, an increase of 4.06 percent over 1980. The light industrial output value in 1981 was 18.86 billion yuan, an increase of 14.56 percent or 2.4 billion yuan over 1980. The proportion of light industry in the province's industrial output value increased from 50.9 percent in 1980 to 56.2 percent. The output of coal, power generation, crude oil, steel, rolled-steel, chemical industrial products and machinery also exceeded the annual plans. Railway passenger and cargo transport also exceeded assigned targets. [Jinan Shandong Provincial Service in Mandarin 2300 GMT 9 Jan 82 SK]

GUANGDONG ISSUES PRODUCTION, RELIEF WORK CIRCULAR

HK020304 Guangzhou Guangdong Provincial Service in Mandarin 1000 GMT 31 Jan 82

[Text] Yesterday the Guangdong Provincial People's Government issued a circular demanding that people's governments at all levels do well in grasping production and relief work before this year's summer harvest.

Since last year natural disasters have frequently occurred in our province. A large area was struck by the natural disasters. In particular the area along the coast was continuously struck by typhoons, torrential rain, chilly winds in early and late October, plant diseases and insect pests. As a result, its grain production dropped. This made the lives of some commune members of rural areas relatively difficult. The provincial people's government demanded that all localities make good arrangements for the livelihood of the people in the stricken area and properly arrange for the sale of grain, either on credit on a monthly basis or according to the state plan, to the seriously stricken brigades and households which have difficulties in obtaining rations. They must arrange relief grain for the small number of households enjoying the five guarantees, dependents of martyrs and PLA personnel and households experiencing difficulties.

In seriously stricken localities where many residential houses were destroyed, counties and communes must carry out pilot projects for rebuilding homes and do overall work based on the experience gained at the pilot projects. It is essential first to help the homeless peasants repair and rebuild their houses. Furthermore, it is necessary to organize the masses in the stricken area to universally embark on salvation through production and to help them formulate plans for salvation through production. We must persistently use special relief funds and materials for special purposes and exercise control over and use special funds and materials seriously and well.

GUANGXI OFFICIALS MEET SUZHOU CALLIGRAPHERS

OW281411 Nanjing Jiangsu Provincial Service in Mandarin 1100 GMT 27 Jan 82

[Excerpt] The Guangxi Military District held a grand rally on 22 January to warmly welcome the Suzhou municipal calligraphers and painters group visiting to present calligraphies and paintings to the leading organization of the Guangxi Military District, the Fakashan heroic battalion and the Fakashan Garrison unit. The visiting group arrived in Nanning municipality on 21 January. On the same day, Qian Xiaoguang, first secretary of the autonomous region party committee; Qin Yingju, chairman of the autonomous region people's government; Liu Chonggui, political commissar of the Guangxi Military District; Zhang Xudeng, commander of the Guangxi Military District; and others cordially met the 10 calligraphers and painters from Suzhou municipality.

HUNAN PEASANT EARNS MORE THAN BUSINESSMAN

HK300618 Changsha Hunan Provincial Service in Mandarin 1100 GMT 29 Jan 82

[Text] A fresh item of news was recently heard from (Kulianchu) production team of (Xiachao) brigade of Gucheng commune in Xiangtan County: A peasant household that stayed on the team growing crops earned more than a household engaged in business. One of these peasants is (Zhao Chengwang), who works hard at cultivating crops. He is 77 years old; there are six people in his household, only two of whom are main laborers. The other peasant likes doing business. There are seven people, including three main laborers, in his household.

Last year (Zhao Chengwang) was responsible for 5.5 mu of the production team's rice fields. He and his son labored diligently, tended the crop well and reaped a fine yield of 2,001 jin per mu. After the bumper harvest, he sold tax grain and negotiated-price grain to the state, from which his income was 1,050 yuan.

The other peasant, affected by the saying "you can only get rich quick if you go into business," went away to do business. Although there were two other laborers in his family, they lacked cultivation experience and were unskilled in field management. As a result the yield from the 8.3 mu of rice for which they were responsible was 789 jin less than that of (Zhao Chengwang). Their grain income was also 850 yuan less than his. In sideline occupations, (Zhao Chengwang) actively raised pigs and poultry and grew potatoes and melons. His income from this was 1,410 yuan. His entire family income last year was 2,215 yuan, representing 369 yuan net per person. Although the other peasant made 900 yuan from his business, his family's income from domestic sideline occupations was 50 percent less than that of (Zhao Chengwang). His family's average income per capita over the year was 138 yuan less than in (Zhao Chengwang's) family.

Commentary on Rural Incomes

HK300620 Changsha Hunan Provincial Service in Mandarin 1100 GMT 29 Jan 82

[Radio commentary: "It Is Necessary To Stress Orientation and Road in Getting Rich"]

[Text] We should seriously ponder on the story we have just broadcast, on how the income of (Zhao Chengwang), who stayed on his production team growing crops, exceeded that of a peasant engaged in business. What does this story show? It shows that growing crops and raising animals are the fundamental factors for getting rich in the rural areas. The party policies are good now, and encourage the peasants to grow more grain and develop domestic sideline occupations. The peasants are also allowed to sell their surplus agricultural and sideline products at negotiated price or in the agricultural trade markets. So long as the peasants labor well, they are almost certain to get rich.

At present the idea "you can only get rich quickly if you go into business" is common in some places. The facts of how (Zhao Chengwang) relied on cultivation to get rich effectively negate this idea. Some comrades might say that (Zhao Chengwang) is only being compared with a peasant household in his own team, and that his income would not necessarily be greater than people doing business elsewhere. That is completely possible. However, the correct method of comparing things is not just to look at income; more important, it is orientation and road that should be compared. When we speak of "getting rich," we mean bringing into play the initiative and creativity of the laborers under the premise of upholding the socialist road, and producing more material wealth for society. Naturally, the more people get rich in this way, and the quicker they do so, the better. What advantage is it to society and the state to get rich by failing to cultivate the land, even though one is a peasant, laying no stress on orientation and road, and going away to do business and even engaging in speculation? Far from being of any advantage, it will disrupt the markets, hamper the normal procurement of agricultural and sideline products, and affect the daily life of people in the urban and rural areas. We must resolutely oppose this evil way of getting rich, which harms the interests of the state, the collective, and others.

SICHUAN OFFICIAL DISCUSSES DUPLICATE PRODUCTION

HK020234 Chengdu Sichuan Provincial Service in Mandarin 2300 GMT 30 Jan 82

[Text] According to a SICHUAN RIBAO report, the principal responsible comrade of the Sichuan Provincial People's Government recently spoke at an economic forum. He said duplicate and blind construction represents one of the problems that has not been solved satisfactorily for a long time on the capital construction front. This has seriously affected the improvement of the economic effect and the development of industrial and agricultural production and construction.

It is reported that over the past 2 years, in order to increase their financial revenues, a few industrial departments and localities in our province have again blindly built some paper mills, tea factories, silk mills, tanneries and salt works. They compete with the old factories for raw materials and markets.

The leading comrades of the provincial government have attached great importance to the problem of duplicate and blind construction. The economic department responsible for this work at the provincial level has also taken some necessary measures to strengthen the planning management of capital construction and to rigorously enforce the procedures for examination and approval of plans. No new factories should be built for products whose existing production capacity exceeds the supply of energy and raw materials. There should be no further development of products whose production capacity exceeds the needs of society. With respect to enterprises still under construction, it is necessary to make proposals for dealing with them and then submit the proposals to the original institution responsible for examination and approval. It is necessary for enterprises which compete with the big factories for raw materials and markets, which turn out poor-quality products and which have no prospects for development to seriously study the problem of reorientation.

CHENGDU PLA UNITS ENFORCE DERELICTION REGULATION

HK020228 Chengdu Sichuan Provincial Service in Mandarin 2300 GMT 31 Jan 82

[Text] Since 1 January this year the Chengdu PLA units have enforced the PRC provisional regulation on punishing servicemen for dereliction of duty. The enforcement of this regulation is of great significance for the cadres and fighters of the PLA units in seriously performing their duties as servicemen, strictly observing discipline and abiding by the law and further strengthening the great army-government and army-people unity and for the regularization and modernization of the PLA units.

YIN FATANG ATTENDS XIZANG PEASANT CONGRESS

HK020123 Lhasa Xizang Regional Service in Mandarin 1130 GMT 31 Jan 82

[Text] The second congress of the Xizang regional peasant association was held in Lhasa 9-17 January. The congress universally discussed and looked into the issue of how our region speeds up the development of agricultural production. The professional societies of plant protection, crops, clay fertilizers, horticulture and barefoot veterinarians had an exchange of their own academic experiences and put forth 55 theses. In light of the present weak links in scientific research and production in our region, the congress also established groups to tackle key problems and set up cooperative groups.

Yin Fatang, first secretary of the regional CCP committee, and Yangling Duoji, secretary of the regional CCP committee, attended the congress and spoke.

HEILONGJIANG URGES MACHINE INDUSTRY RESTORATION

SK291202 Harbin Heilongjiang Provincial Service in Mandarin 1100 GMT 28 Jan 82

[Commentary by station reporter (Wang Liancai): "All Trades and Professions Should Help Restore Machinery Industry"]

[Excerpts] Among the industrial enterprises in our province, one-third are engaged in machine processing. The output value of the machine industry accounts for 20 percent of the province's total industrial output value. In previous years nearly 25 percent of our revenue from industry came from the machine industry. Therefore, we can see that machine industry production is a factor deciding the speed of our industrial development and our revenues.

Last year, for example, although we increased our light industry substantially by 13.6 percent, the increase in industry overall was only 2.5 percent due to a great decline in our heavy industry, especially the machine industry. Profits turned in by industrial enterprises across the province were 43 percent less than in 1980, 40 percent of which was attributed to a reduction of profits turned in by machine enterprises. Therefore, the provincial CCP committee's call for restoring machine industrial production this year is very realistic and correct. Restoration of the machine industry should be based mainly on the efforts of machine enterprises themselves. Focusing their efforts on making the best use of our resources, they should adjust their production to attract more consumers, vigorously emphasize production of certain special equipment in a planned manner and expand sales with quality, cheaper and complete sets of products of more variety. However, it is also very important for all trades and professions to energetically support the restoration of the machine industry. By energetic support, we mean that they should place their orders for machinery products with the enterprises of our province on a priority basis on the condition that the products are of the same quality and same price. Some of our industrial departments have already done so.

However, there are still some departments which, in disregard of economic results and seeking far and wide what lies close at hand, blindly buy from other provinces the products which our province has long produced and which are not superior in quality and are no cheaper. This not only is detrimental to invigorating our machine industry but also increases its economic burden. Such a phenomenon should be corrected.

HEILONGJIANG URGES UPGRADING INDUSTRY EFFICIENCY

SK310422 Harbin Heilongjiang Provincial in Mandarin 1100 GMT 20 Jan 82

[Station commentary: "Emulate the Advanced, Raise Our Level and Increase the Economic Efficiency of Our Light and Textile Industries"]

[Excerpt] Since the third plenary session of the CCP Central Committee, our province's light and textile industries have substantially developed through readjustment. From 1979 to 1981 the annual growth rate was 18.6 percent, which is unprecedented in nearly 20 years. However, the economic efficiency of the light and textile industries has not improved very much. The profit out of each 100-yuan output value is not only much lower than Shanghai and other advanced provinces and municipalities but also lower than the average level of the light and textile industries in our country.

There are two major causes of this economic inefficiency. The first is a low technical level. The second is backward management and administration.

The light and textile industrial growth in the past few years was mainly achieved by adding new projects to expand production capacity and not by increasing economic efficiency. From now on, we should not depend on building new projects to develop consumer goods production. We should shift our attention to raising the managerial level and increasing production.

JILIN MAKES AGRICULTURAL STRUCTURE ADJUSTMENTS

SK291142 Changchun Jilin Provincial Service in Mandarin 2200 GMT 28 Jan 82

[Text] Jilin Province has scored initial achievements in readjusting its agricultural structure. After the third plenary session of the party Central Committee, the provincial CCP committee has conscientiously implemented the principles and policies formulated by the third plenary session of the party Central Committee and analyzed the provincial situation on agricultural resources. In line with the principles of suiting measures to local conditions, taking advantage of favorable conditions and avoiding weaknesses, the provincial CCP committee decided to build in the mountainous and semi-mountainous areas in the eastern part of the province a paddy-growing base and bases for producing tobacco, forest products and special local products; to build soybean, paddy and miscellaneous grains bases in the flatlands in the central part of the province; and to build livestock, wheat, oil-bearing seeds and sugar bases in the western areas.

All localities in the province have readjusted their agricultural structure in line with the arrangements made by the provincial CCP committee. They have mainly readjusted the ratio between grain and cash crops. Comparing the average figure in each of the 3 years after readjustment with the average figure in each of the 3 years before readjustment, acreage under oil-bearing seeds increased by 62 percent; acreage under grain crops decreased from 88.7 to 87.4 percent and of all cultivated areas, acreage under cash and other crops increased from 11.3 to 12.6 percent, of which beet-growing acreage increased by 8.1 percent and tobacco-growing acreage increased by 15.5 percent.

The province also achieved good economic results through readjustment. From 1979 to 1981, grain output increased by 11.73 percent; output of oil-bearing seeds increased by 122.65 percent; total agricultural output value increased by 14.83 percent; and per capita income increased by 41.1 percent. Rapid progress was also made in the development of forestry, animal husbandry, sideline production and fishery. At present, our province's agriculture is changing from an irrational, simple structure to a rational, comprehensive one.

LI DESHENG TAKES PART IN SHENYANG ARMY PATROL

OW300115 Beijing XINHUA Domestic Service in Chinese 1502 GMT 28 Jan 82

[Excerpt] Shenyang, 28 Jan (XINHUA) -- Leaders of the Shenyang PLA units were on army discipline patrols on busy streets in Shenyang on 28 January. They included Commander Li Desheng and Deputy Commanders Xie Zhenhua and Yuan Jun. They inspected servicemen's discipline, appearance and bearing and kept order in the streets.

LI DESHENG, GUO FENG ATTEND LIAONING SOIREE

SK010314 Shenyang Liaoning Provincial Service in Mandarin 2200 GMT 31 Jan 82

[Text] Liaoning Province and Shenyang municipality sponsored a Spring Festival soiree at the Zhonghua theater in Shenyang on the evening of 31 January to present literary and art programs for the PLA units stationed in Shenyang. Attending the soiree were Li Desheng, member of the Political Bureau under the CCP Central Committee and commander of the Shenyang PLA units; Guo Feng, first secretary of the provincial CCP committee; Chen Puru, secretary of the provincial CCP committee and governor of the province; and Li Tao, first secretary of the Shenyang Municipal CCP Committee. Also attending the soiree were responsible persons from the provincial and municipal CCP committees, the provincial and municipal people's governments and the provincial and municipal CPPCC committees, as well as the Shenyang PLA units, the leading organs of PLA units stationed in Shenyang and the provincial military district. Among others attending the soiree were representatives of PLA commanders and fighters and the masses from various social circles -- over 2,000 people in all.

Prior to lifting the curtain, participating comrades joyfully exchanged festive greetings and hearty talk and spoke glowingly of the excellent situation of unity between the army and government and between the army and the people. They confidently stated that they should make further efforts in the new year to do a good job in enhancing the ties between the army and government and between the army and the people and make concerted efforts in building the strength of armed forces to make greater contributions in creating socialist material and spiritual civilizations.

The Liaoning people's art institute presented a drama at the soiree.

LIAONING REPORTS INDUSTRY, COMMUNICATIONS GROWTH

SK291232 Shenyang Liaoning Provincial Service in Mandarin 1100 GMT 28 Jan 82

[Text] The situation on our province's industrial and communications front in 1981 was gratifying. There have been six prominent changes. First, the production of daily consumer goods has substantially increased and the proportion of light and heavy industries has been gradually rationalized. In 1981, our province's industrial output value increased by 15.2 percent compared with the previous year, the third year of substantial growth.

Second, through readjustment, heavy industry has picked up again after a decline. Since the beginning of 1981, our province has vigorously readjusted the inner structure of six industries -- including the metallurgical, petroleum, machinery and chemical industries -- corrected service orientation, changed the product mix and scored outstanding achievements.

Third, the quality of products has been stabilized and improved, and the variety of products and colors and patterns has also increased drastically. The quality of our industrial products began to shift from the stage drastically. The quality of our industrial products began to shift from the stage of restoring the best level on record to one of creating new, fine popular brands. Based on the statistics of 1,303 products which underwent major provincial investigation, 1,078 products have reached or surpassed their best quality records.

Fourth, efficiency in utilizing energy resources has increased and energy consumption has declined substantially. In 1981, our province's industrial growth was 12.2 percent and energy consumption of each 10,000-yuan output value declined by 4 percent compared with 1980. Our energy conservation work has taken on a new look.

Fifth, the reformation of industrial management systems has made new progress. By October 1981, our province broke the bonds of different localities, departments and responsibility systems and established a number of industrial companies and economic ventures of varied forms in accordance with the principle of economically and rationally establishing coordination between specialized departments. The close combination of the reforms in industrial management systems with the industrial readjustment and reorganization has injected new life into the development of industrial production.

Sixth, the scale of technical reformation has expanded to a certain level and technical equipment in enterprises has improved. In 1981, industrial and communications departments started 3,113 technical reformation projects, of which 1,938 ones have been completed. This has resulted in an 800 million yuan increase in output value and a 200 million yuan increase in profits and taxes handed over to the state. Technical reformation now has become a major factor promoting industrial production.

BRIEFS

JILIN INDUSTRIAL LOANS -- People's banks at all levels in Jilin Province issued 6.9 billion yuan of industrial loans in 1981 to meet the requirements of economic readjustment. This is an increase of 70 million yuan over the 1980 figure. The banks loaned out 1,530 billion yuan to light and textile industrial enterprises as current capital. [Changchun Jilin Provincial Service in Mandarin 1100 GMT 31 Jan 82 SK]

MA WENRUI TALKS WITH SHAANXI MODEL WORKER

HK281506 Xian Shaanxi Provincial Service in Mandarin 2300 GMT 27 Jan 82

[Text] On 22 January Shaanxi Provincial CCP Committee First Secretary Ma Wenrui met with Wang Baojing, model worker of national renown and secretary of the CCP branch of Fenghuo production brigade. Ma Wenrui asked in detail about the situation of rural work, agricultural production and the peasants' lives and listened to Wang Baojing's report on the present situation in the rural areas.

When Ma Wenrui asked him about changes in the rural areas since the 3d Plenary Session of the 11th CCP Central Committee, Wang Baojing said great changes have taken place in the rural areas. This is a fact that nobody can deny. First, the peasants have enough to eat. Food is the first necessity of the people. Before and after the Spring Festival, for many years in the past, regardless of where you went in the mountainous areas or the plains or whether on irrigated land or the dry plains, you would hear cadres and the masses talking about the matter of the state selling grain back to the places where it was produced. You no longer hear this. Second, the peasants have a free hand in their work. The development of family sideline occupation gives play to the peasants' creativeness and enlivenes the market. Third, more and more houses are being built in the countryside. The number of houses built over the last 2 years is greater than that built in over a decade. The quality of the houses is also better. Fourth, the peasants have more money and more bank savings. Following the improvement in their standard of living, more and more peasants wear wristwatches and bought television sets. They also pay more attention to clothing. [Words indistinct] fifth, the peasants have a better mental outlook and there is a lively atmosphere of democracy in the rural areas. In brief, the changes in the rural areas since the 3d Plenary Session of the 11th CCP Central Committee can be summed up with five "mores" -- more grain, more cows, more pork, more land and more newly built houses.

After listening to the report Ma Wenrui said: In total disregard of the numerous facts some people have obstinately asserted that there has been no great changes in the rural areas since the 3d Plenary Session of the 11th CCP Central Committee. This is obviously wrong.

When reporting on the agricultural production responsibility system, Wang Baojing said: Recently it has been said in the rural areas that all draught animals and land that have been assigned to individual households should be returned to the collective and that this is the idea of the higher-ups. This has adversely affected the enthusiasm of the commune members.

Ma Wenrui responded by pointing out: It is necessary to publicize to the peasant masses and cadres at the grassroots levels that they should amplify and stabilize whatever forms of the agricultural production responsibility system they have been practicing and not muddle things up.

After listening to Wang Baojing's report Ma Wenrui said the cooperative movement and the collectivization we carried out in the past was correct. It is now still necessary to lay stress on the development of the collective economy and give play to the superiority of the collective economy. We should not take the former beaten track of going it alone. It is wrong to consider that collectivization is no longer popular since the systems of assigning farm output quotas for each household and of assigning the land to each household in exchange for fixed levies or other forms of the agricultural production responsibility system have been implemented in some localities. What is referred to as assigning farm output quotas or land to each household in exchange for fixed levies are contracts signed between the production team and the individual commune members. All individuals should be responsible to the production team as a collective. Moreover, large farm machinery and tools, water conservation facilities, team-run enterprises, woodlands, orchards and so on are still under unified management. This is completely different from distributing the land and going it alone.

Ma Wenrui said that to build new houses in the rural areas is a good thing that should be encouraged. However, it is necessary to map out plans and conserve land. Houses to be built in the rural areas should be in line with local conditions. The provincial department concerned will hold a special meeting to discuss the problem of building houses in the rural areas. When touching on the existing problems in the present rural work, Ma Wenrui said the main problem is that of the cadres. Some cadres seek personal benefits with the power in their hands. They are taking a laissez-faire attitude toward collective undertakings and are divorced from the masses. This problem should be solved well.

Finally, Ma Wenrui encouraged Wang Baojing to maintain close links with the masses, pay attention to studying, act resolutely according to the party principles, view problems in the light of the principles and policies formulated since the 3d Plenary Session of the 11th CCP Central Committee, work hard and score new achievements.

SHAANXI'S MA WENRUI DISCUSSES CULTURE AT OPERA

HK300339 Xian Shaanxi Provincial Service in Mandarin 2300 GMT 29 Jan 82

[Summary] Shaanxi Provincial CCP Committee First Secretary Ma Wenrui watched the revolutionary modern opera "Red Line" performed by the provincial Beijing opera troupe in Xian on 27 January. He congratulated the performers afterwards, and also chatted with them. He said: "I have been working in Shaanxi 3 years now, and this is the first time I have seen you perform. The contents and performing techniques in this opera are good."

Ma Wenrui pointed out: "Literature and art workers must be engineers of man's soul. They should fully play their role in building socialist spiritual civilization. At present they should in particular strive to perform revolutionary modern opera well to give young people ideological education." He also said: "The principle that literature and art should serve politics and the workers, peasants and soldiers, set for us by Comrade Mao Zedong and the older generation of proletarian revolutionaries, is correct. We must unswervingly implement it. To succeed in this aim, at present, theatrical workers engaged in composition should go down into real life, write more good scripts and enrich the contents of social art. Of course, classical operas of healthy content can also be performed, but the emphasis should be on writing and performing modern opera."

WANG ENMAO AT XINJIANG PLA PARTY HISTORY FORUM

HK020319 Urumqi Xinjiang Regional Service in Mandarin 1300 GMT 31 Jan 82

[Summary] "Recently the committee for compiling party history materials of the Urumqi PLA units held its first forum of Red Army veterans. Some 16 Red Army veterans who were between 63 and 70 years old attended the forum and pledged to write their memoirs in order to help in the compiling of party history materials." Participants at the forum exchanged views and experiences concerning writing memoirs. Wang Enmao, first secretary of the Xinjiang Regional CCP Committee; Gu Jingsheng, second secretary of the regional CCP committee; Xiao Quanfu, commander of the Urumqi PLA units; and Tan Youlin, political commissar of the Urumqi PLA units, attended the forum. They praised the Red Army veterans for displaying their lofty revolutionary spirit by writing their memoirs in order to contribute to the compilation of party history materials.

BRIEFS

SHAANXI WATER, SOIL CONSERVATION -- Shaanxi Province achieved outstanding results in water and soil conservation in 1981. According to recent statistics, the whole province has built water and soil conservation forests on 2 million mu, grown grass on 300,000 mu and controlled soil erosion areas of 2,000 square kilometers. In compliance with the directives of the provincial CCP committee and the provincial government, many prefectures and counties have regarded water and soil conservation as an indispensable content of developing agricultural production. In 1981, the whole province harnessed 69 small rivers and controlled basin areas of some 3,480 square kilometers which involved 3,015 production teams. Prefectures and municipalities, including Hanzhong and Baoji, have repaired some 200,000 mu of farmland which was damaged by floods. By the middle of last December, Ningqiang County which was seriously struck by floods had repaired 27,920 mu of damaged farmland, 90 percent of the area which should be repaired. [Xian Shaanxi Provincial Service in Mandarin 2300 GMT 18 Jan 82 HK]

CHINA POST EDITORIAL ON PRC 'BLACKMAIL' OF U.S.

OW020645 Taipei CHINA POST in English 30 Jan 82 p 4

[Editorial: "U.S. Succumbs to Peiping's Blackmail"]

[Text] U.S. Deputy Secretary of State-Designate Walter Stoessel revealed to the Senate Foreign Relations Committee that "a real danger of rupture" with Communist China forced the administration to make an urgent decision against selling sophisticated warplanes to the Republic of China.

Stoessel's remarks Wednesday differed from the State Department explanation on the plane sales on January 11 that the decision was made on purely military ground that the ROC did not need more advanced aircraft. But Stoessel admitted that pressure from Peiping to halt U.S. military sales to the ROC coinciding with the Polish crisis "compelled the administration to consider the matter urgently and earlier than had been contemplated." Stoessel's testimony before the Senate Foreign Relations Committee constitutes a frank admission of U.S. succumbing to Peiping's blackmail tactics to change U.S. decisions on foreign and military policy. It is most unfortunate that President Ronald Reagan should allow his policy decisions to be swayed by the Peiping regime at the expense of the Republic of China whose welfare and interests Reagan has paid lip service to protect and honor by implementing the Taiwan Relations Act. Peiping's blackmail had the net effect of negating or even violating that act.

Senator Charles Percy, chairman of the Senate Foreign Relations Committee, told the press that he would hold a closed hearing on why the administration had failed to fully consult Congress on the decision. Such a hearing should be open to the public concerning Peiping's blackmail tactics and the reasons for denying the Republic of China the needed advanced planes. It should also look into the reasons why the United States should permit the Peiping regime to succeed in its blackmail while the latter has done nothing in return to help the United States in the Polish crisis.

As a matter of fact, Peiping is powerless in intervening in the Polish crisis to help the United States. On the contrary, U.S. close liaison with Peiping has infuriated and antagonized Moscow to such an extent as to make further U.S. negotiations with the Soviets more difficult if not impossible, as U.S. Secretary of State Alexander M. Haig, Jr. must have found out in Geneva.

The United States should realize the futility of playing the China card to restrain the Soviets. Instead of restraining the Soviets, it has reaped the opposite effect of infuriating the latter to create more troubles all around the world. For the Soviets cannot possibly tolerate the emergence of a strong Communist China capable of threatening its security by stabbing at its back. It should also realize the insidious influence of the pro-Peiping policy at the expense of real U.S. friends and allies, especially the Republic of China. Moreover, the American people should not permit such insidious influences of the pro-Peiping elements to thwart the wishes of the American people as reflected in the Taiwan Relations Act approved overwhelmingly by the U.S. Congress.

The people of the Republic of China should also take Stoessel's testimony as an object warning of not relying too much on the United States, which has more than once betrayed our vital interest and welfare. We must strengthen ourselves and harbor no illusion on lip services and professions of friendship only to be sacrificed by Chinese communist pressure in the final analysis. We should follow President Chiang Ching-kuo's sound advice for the people of this nation to strive harder in unity and with dedication for the sacred cause of national recovery and ultimate defeat of the Chinese communists and communism on the Chinese mainland. We know that we have the power to achieve these goals.

CCP ARTICLE WARNS INCOMPETENT CADRES OF DISMISSAL

HK300241 Hong Kong MING PAO in Chinese 30 Jan 82 p 2

[Special dispatch from Beijing: "Cadres at All Levels Who Score No Achievements in 3 Years Must Resign"]

[Text] The "internal newsletter" of the CCP Central Committee's Organization Department has published an article warning that all cadres who have scored no achievements after working for many years, who have thus incurred the masses' dissatisfaction, should resign.

The article says: "A habitual view has formed among certain comrades over a long period of time, which apparently holds that a cadre cannot be transferred from his work post after being appointed to it, no matter whether or not he works loyally and is competent, so long as he is not involved in any problems of violations of law and discipline; and this applies even if he has scored no achievements over a long period. This is a misinterpretation of the party's cadre policy. We must resolutely put a stop to this state of affairs."

The article points out, supposing a county CCP committee secretary scores achievements in work in each of the 2 or 3 years after his appointment, that proves he is a competent or even relatively outstanding county CCP committee secretary. On the other hand, if he works there several years without accomplishing anything, is ineffective in bringing about changes, and incurs the great dissatisfaction of the majority of the cadres and masses, he should be allowed to resign his post. This is the case with county CCP committee secretaries, and also with other cadres.

This was stated by the Organization Department's "internal newsletter" when Zhao Ziyang announced that decisive measures would be taken to streamline the bureaucracy. These words certainly have a definite aim.

PRC OFFICIAL'S LETTER ON LITERATURE, ART PRINTED

HK010638 Hong Kong WEN WEI PO in Chinese 1 Feb 82 p 3

[Dispatch from Beijing: "Central Leader's Letter Gives Views on Deviations That Have Appeared in Descriptions of Love in Literature and Art"]

[Text] Recently, a responsible comrade in the central authorities gave his views in a letter on the description of love in literary and artistic works. The contents of the letter are as follows:

I have always felt that some writers and film directors have some muddled and rather unhealthy ideas on the relationship between love and revolution, love and the socialist cause and on how to appeal strongly to the largest audience through an artistic medium. Therefore, I mentioned some ideas in this respect at the forum on play writing held last February. Unfortunately these ideas have not attracted the attention of those comrades who have shortcomings in this respect. Now I would like to point out more clearly that this is not an ordinary question of literary creation but a question of principled stand. If some people still stubbornly stress love to an improper extent, people will be fully reasonable in asking: Is it right then to write about Wu Sangui's "Bristling With Anger Is But For the Beauty" in our socialist literary works or reflect it in current films? If our comrades, who still consider themselves communists, have yet gone so far as to regard love as the most important thing in their lives, do they not greatly lag behind the democrat's pioneers who advocated "life is precious, and more so is love; yet for freedom's sake, both can be discarded?"

Of course, we do not advocate labeling these writers and directors or having them write something for self-criticism. But we do hope they will sum up their experiences, because only in this way will they be able to create more inspiring works. I even advocate writing one or two articles to discuss the question of love in literary works with our comrades in the literary and art circles.

TA KUNG PAO NOTES PRC 'TACKLING' BUREAUCRACY

HK010824 Hong Kong TA KUNG PAO in Chinese 30 Jan 82 p 2

[Special feature by Cheng Yuan [4453 6678]: "All-round Tackling of Bureaucratism Is Imminent"]

[Text] There are various indications that after a certain period of preparation, planning and consideration, in order to set things right, an all-round tackling of bureaucratism and unsavory trends will be swiftly and resolutely launched throughout China.

Li Xiannian, vice chairman of the CCP Central Committee, declared at the Spring Festival get-together that in 1982, China should try to do a good job in the building of spiritual civilization in two aspects: first, in simplifying government structure, eliminating bureaucracy and raising work efficiency; second, in strictly dealing with major crimes in the economic and other fields. Initially, those major economic criminal cases which involve leading cadres must be brought to light. In delivering his speech, Li Xiannian said emphatically that "we must be resolute and meticulous" when dealing with the former and "must be resolute and thorough" with the latter.

Sources from Beijing said that CCP Central Committee Vice Chairmen Deng Xiaoping and Chen Yun attach great importance to simplifying government structure, reforming the cadre system and eliminating all unhealthy trends, and whether or not we succeed in doing a good job of these two tasks is a matter of life and death for the party and the state. They demanded that the party work style, political discipline and prevailing social trends basically change for the better. It is said that the central authorities have sent several working teams headed by ministerial level cadres to provinces along the coast and the borders to investigate those "major economic criminal cases that involve leading cadres." After investigation, major cases which are proven by evidence will be swiftly handled; no one will be pardoned. We must see that criminals of all kinds are quickly caught by the dragnet spread by the people and that socialist China will no longer be a paradise for the minority of saboteurs and speculators.

The Chinese Government has too many departments and administrative levels and is over-staffed and inefficient. This has developed to the point of being intolerable. For example, the State Council had only 4 committees and 30 departments in the early days after the establishment of the PRC. At present the State Council has 108 units, 3 times as many as the original. In the metallurgical department there are as many as 23 ministers and vice ministers. To swiftly put an end to the above situation and speed up the building of the four modernizations, the leadership group of the CCP is resolved to take resolute measures within a definite period of time to reform government structures, starting with the CCP Central Committee, the State Council and the Central Military Committee, so as to set an example for the subordinate units.

According to the parties concerned, the simplification of government structure will be done by reducing staff and by mergers. In other words, it will be done "in a thorough manner." Early last winter, in accordance with the demands of the central authorities, all departments drafted simplification proposals. It is said that one-third of the organizations under the three major systems will be cut and a total of one-third of the original staff will be dismissed.

The number of ministers and vice ministers should not exceed five while that of department heads and deputy department heads, bureau head and deputy bureau heads should not exceed three in each department. The Ministry of Water Conservancy will merge with the Ministry of Electric Power Industry and the capable Qian Zhengying will become minister of the two ministries. Other redundant organizations which are similar in function will also be merged and the number of staff will certainly be reduced. For example the Ministry of Economic Relations With Foreign Countries and the Administrative Commission on Import and Export Affairs will probably merge with other related ministries and commissions.

Some people worry about the difficulties involved in simplifying the government structure and reshuffling the personnel and how to settle the dismissed people. They fear that the fine start will end with failure. We must do a good job of a big issue like this, but it is obvious that there are many difficulties and obstructions on the way. Therefore Li Xiannian pointed out that we must be "resolute and meticulous." What he meant by "resolute" is that we should be thorough and resolute in carrying out policies of strategic importance, and by "meticulous," we must assign people to the appropriate positions. According to Beijing newspaper reports, the people dismissed in the simplification of the government structure will be settled in accordance with individual situations. Those who are weak, old and cannot continue their work will have leave and retirement arranged, and their lives after retirement will be taken care of well. Those who cannot continue working in the forefront will take up work in which they feel competent or become advisers, and continue making contributions to the four modernizations. Young cadres who are removed from their original posts because of mergers will be assigned to political and legal departments, cultural and educational departments and revenue departments, which are short of staff, so as to strengthen the weak links. After thorough mobilization, most cadres, including old cadres who have rendered meritorious service to the state will certainly respond to the call of the CCP Central Committee and the State Council and will actively cooperate with them to do a good job of it. Recently a number of vice ministers of some ministries jointly wrote a letter to the CCP Central Committee to request to work in the second line. This is itself the best evidence.

The most significant point of simplifying the government structure and reforming the cadre system advocated by Beijing is not merely the elimination of bureaucracy and making the organizations more capable. What is more important is the selection of capable people for leading positions and making the leadership group younger by promoting a large number of outstanding young and middle-aged cadres to the leading posts. According to reliable sources, it is said that Deng Xiaoping and Chen Yun will personally take care of the task because they deeply feel that selecting capable people for the leadership group is a task which brooks no delay. Only if we gradually appoint younger cadres can we solve the problem of continuity of policies and ensure that socialist China will be passed on from generation to generation. It is said that strict regulations will be stipulated fixing the retirement age of the leading cadres at various levels so as to eliminate the conservative ideology of judging a person's performance on the basis of his seniority and experience.

People are totally convinced that with the progress of spiritual civilization, material civilization will be greatly promoted. So long as we seriously eliminate bureaucracy, readjust the party work style, the work style of the people and the general mood of society, China's potential will be brought into full play and then there will be hope for us to vigorously develop China.

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